

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO.: Fee	6. SURFACE: Fee
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc.		8. UNIT or CA AGREEMENT NAME: N/A	
3. ADDRESS OF OPERATOR: 1401 - 17th Street, Suite 1200, Denver, CO 80202		9. WELL NAME and NUMBER: Jensen #14C-10-12-10	
PHONE NUMBER: 303/675-2782		10. FIELD AND POOL, OR WILDCAT: Castlegate / Blackhawk 13	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 517633X 4404558Y 39.792678 562' FSL and 775' FWL AT PROPOSED PRODUCING ZONE: SW SW 110.794055		11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN: Section 10, T12S - R10E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 11.4 miles northeast of Helper, UT		12. COUNTY: Carbon County	13. STATE: UT
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 562'	16. NUMBER OF ACRES IN LEASE: 2709.64	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 Acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): 1450'	19. PROPOSED DEPTH: 5,028'	20. BOND DESCRIPTION: Utah State Bond No. 104319463	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7417' GL	22. APPROXIMATE DATE WORK WILL START: 10/20/2008	23. ESTIMATED DURATION: 9 Days	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
11" - 12-1/4"	8-5/8", J-55, 24#	600'	220 sx 2-Premium Plus, 1.15 ft3/sk, 15.8 ppg
5-1/2"	5-1/2", J-55, 17#	5,028'	210 sx Class B, C or G, 3.86 ft3/sk, 11 ppg + 140 sx Pozmix, 1.19 ft3/sk, 14.3 ppg

25. ATTACHMENTS

CONFIDENTIAL-TIGHT HOLE

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

AGENT: Permitco Inc., P.O. Box 99, Eastlake, CO 80614

AGENT'S PHONE NO.: 303/857-9999

NAME (PLEASE PRINT) Venessa Langmacher

TITLE Regulatory Supervisor/Agent for Pioneer Natural Resources USA, Inc.

SIGNATURE

Venessa Langmacher

DATE

September 15, 2008

(This space for State use only)

API NUMBER ASSIGNED:

43-007-31453

Approved by the
Utah Division of
Oil, Gas and Mining

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DIV. OF OIL, GAS & MINING

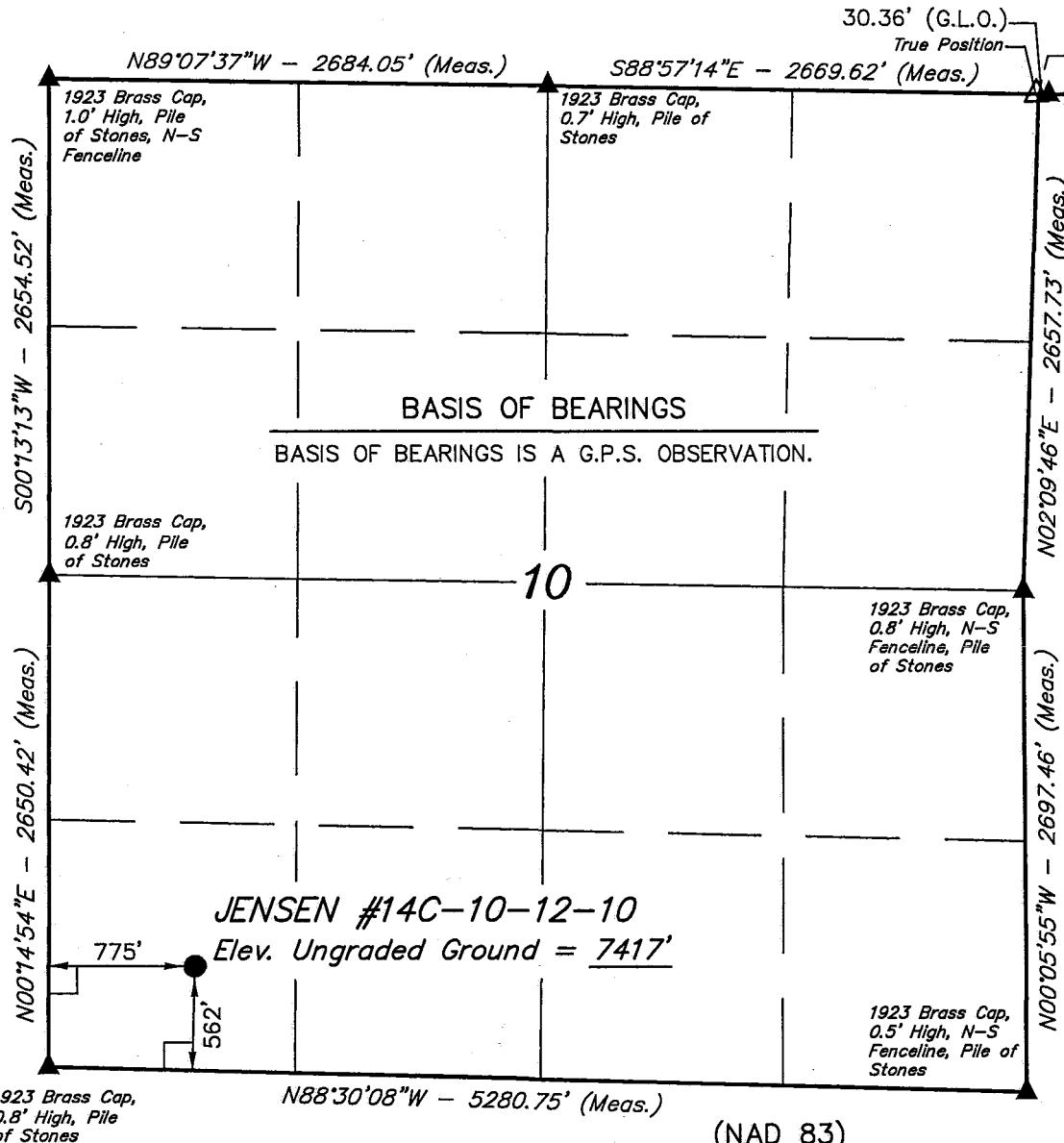
Date: 11-17-08

By: *[Signature]*

T12S, R10E, S.L.B.&M.

PIONEER NATURAL RESOURCES USA, INC.

Well location, JENSEN #14C-10-12-10, located as shown in the SW 1/4 SW 1/4 of Section 10, T12S, R10E, S.L.B.&M. Carbon County, Utah.

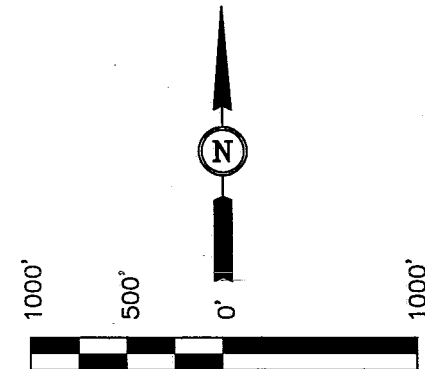


BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

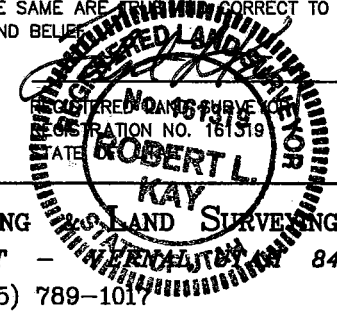
BASIS OF ELEVATION

BENCH MARK LOCATED IN THE SW 1/4 NE 1/4 OF SECTION 10, T12S, R10E, S.L.B.&M. TAKEN FROM THE MATTS SUMMIT, QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7131 FEET.



SCALE
CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 39°47'33.42" (39.792617)
LONGITUDE = 110°47'41.40" (110.794833)

(NAD 27)
LATITUDE = 39°47'33.56" (39.792656)
LONGITUDE = 110°47'38.83" (110.794119)

UINTAH ENGINEERING
85 SOUTH 200 EAST - 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 08-19-08	DATE DRAWN: 08-20-08
PARTY N.H. C.H. K.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE PIONEER NATURAL RESOURCES USA, INC.	

PIONEER

NATURAL RESOURCES

October 1, 2008

Utah Division of Oil, Gas and Mining
P. O. Box 145801
Salt Lake City, Utah 84114-5801

Attn: Brad Hill
Permitting Manager

RE: Verification of Surface Use Agreement
Jensen 14C-10-12-10
T12S-R10E-Sec. 10: SW/4SW/4
Carbon County, Utah


Gentlemen:

Pioneer Natural Resources USA, Inc.'s (Pioneer) predecessor in interest Evergreen Resources, Inc., and James T. Jensen, Jerry Jensen and Dix Jensen (hereinafter collectively referred to as the "Jensens") entered into a global Access, Surface Damage and Use Agreement on July 12, 2004, covering all lands in Carbon County, Utah, in which the Jensens owned the surface estate, as further described on Exhibit "A" attached hereto. Prior to the commencement of any field activity related to a well, Pioneer is to submit a plat designating the location of the Well and related facilities to the Jensens. Pioneer has mailed the Jensens surveys showing the proposed location, facilities and the road and pipeline access for the Jensen 14C-10-12-10 well. Verbal approval was received from James Jensen on September 30, 2008 for the well.

I certify that there is a global Access, Surface Damage and Use Agreement in place with the Jensens covering their surface estate in Carbon County, Utah and verbal approval has been received for the Jensen 14C-10-12-10 well.

Please consider this letter as sufficient notification that there is a surface use agreement in place and proceed with the approval of the APD. If you have any questions concerning the above, please contact Sharon Logan at 303-675-2691 at your earliest convenience.

Very truly yours,
Pioneer Natural Resources USA, Inc.


Betty Brownson
Attorney-in-Fact

Attachment

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DIV. OF OIL, GAS & MINING

EXHIBIT "A"

Attached to and made a part of that certain Access, Surface Damage and Easement Agreement dated July 12, 2004 by and between James T. Jensen, Jerry Jensen, and Dix Jensen, Owners, and Evergreen Resources, Inc., Operator.

This exhibit is intended to cover all lands in Carbon County, Utah, in which Owner owns the surface estate, including but not limited to the following lands:

Township 12 South, Range 9 East

Section 1: W/2SE/4, S/2SW/4

Section 2: Lots 1, 2, 3, 4, N/2SW/4, SE/4

Township 12 South, Range 10 East

Section 3: SW/4, W/2SE/4

Section 4: Lots 1, 2, 3, 4, S/2

Section 5: Lots 2, 3, 4, SW/4, NW/4SE/4, S/2SE/4

Section 6: Lots 1, 2, W/2SW/4, SE/4

Section 7: Lot 3, E/2SW/4, SE/4, N/2NE/4

Section 8: N/2N/2, S/2

Section 9: N/2N/2, SE/4NE/4, S/2

Section 10: S/2NW/4, S/2, NE/4, NW/4NW/4

Section 15: W/2NE/4, NE/4SW/4, SW/4SW/4

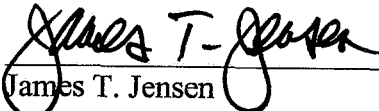
Section 17: N/2, N/2S/2, SW/4SW/4, SE/4SE/4


Section 18: Lot 1, NE/4NW/4, NE/4, N/2SE/4, SE/4SE/4


Section 19: N/2

Section 20: N/2


Acknowledged for Identification:


James T. Jensen


Jerry Jensen


Dix Jensen

Pioneer Natural Resources USA, Inc.
successor in interest to Evergreen Resources, Inc.


Betty Brownson, Attorney-in-Fact

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OCT 14 2008

DIV. OF OIL, GAS & MINING



PO Box 99 • Eastlake, CO 80614 • (303) 857-9999 • FAX (303) 450-9200 • E-MAIL Permitco1@aol.com

September 15, 2008

Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Attn: Diana Mason

Re: Pioneer Natural Resources USA, Inc.
Jensen #14C-10-12-10
562' FSL and 775' FWL
SW SW Sec. 10, T12S - R10E
Carbon County, Utah

Dear Diana,

Enclosed please find two copies of the Application for Permit to Drill, along with the required attachments.

Please contact Dallas Christensen (435/820-8326) with Pioneer Natural Resources USA Inc. to schedule an onsite inspection.

If you should need additional information, please don't hesitate to contact me. Approved copies of the A.P.D. should be sent to PermitCo Inc. at the address shown above.

Sincerely,

PERMITCO INC.

Venessa Langmacher
Regulatory Supervisor
Agent for Pioneer Natural Resources USA, Inc.

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SEP 16 2008

DIV. OF OIL, GAS & MINING

Enc.

cc: Pioneer Natural Resources USA, Inc. - Denver, CO
Utah Division of Oil, Gas & Mining - Price, UT

CONFIDENTIAL - TIGHT HOLE

Jensen #14C-10-12-10
562' FSL and 775' FWL
SW SW Section 10, T12S - R10E
Carbon County, Utah

Prepared For:

Pioneer Natural Resources USA, Inc.

By:

PERMITCO INC.
P.O. Box 99
Eastlake, CO 80614
303/857-9999

Copies Sent To:

- 2 - Utah Division of Oil, Gas & Mining - SLC, UT**
- 1 - Utah Division of Oil, Gas & Mining - Price, UT**
- 2 - Pioneer Natural Resources USA, Inc. - Denver, CO**



Jensen #14C-10-12-10

562' FSL and 775' FWL

SW SW Section 10, T12S - R10E

Carbon County, Utah

DRILLING PROGRAM

Page 1

1. **Estimated Tops/Geologic Markers**

The estimated tops of important geologic markers are as follows:

<i>Formation</i>	<i>Depth</i>	<i>Subsea</i>
North Horn	Surface	---
Price River	2,291'	5,124'
Castlegate Sandstone	2,903'	4,512'
Blackhawk	3,689'	3,726'
First Coal	4,019'	3,396'
K 2 Coal	4,302'	3,113'
Kenilworth Sandstone	4,349'	3,066'
Aberdeen Sandstone	4,528'	2,887'
Mancos Shale	4,700'	2,316'
TD	5,028'	1,988'

2. **Estimated Depths of Anticipated Water, Oil, Gas or Other Mineral Bearing Formations**

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>
Coal, Shale, Sandstone	Blackhawk	3,689'
Coal	First Coal	4,019'
Coal	K 2 Coal	4,302'



Jensen #14C-10-12-10

562' FSL and 775' FWL

SW SW Section 10, T12S - R10E

Carbon County, Utah

DRILLING PROGRAM

Page 2

3. Well Control Equipment & Testing Procedures

Pioneer Natural Resources USA, Inc.'s minimum specifications for pressure control equipment are as follows:

Ram Type: 3000 psi w.p.

Pioneer Natural Resources USA, Inc. will comply with all requirements pertaining to well control as listed in the Rule R649-3-7 of the Utah Division of Oil, Gas & Mining.

The size and rating of the BOP stack is shown on the attached diagram.

4. Casing Program

The proposed casing program will be as follows:

Purpose	Depth	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0'-600'	11"-12-1/4"	8-5/8"	24#	J-55	ST&C	New
Production	0'-5,028'	7-7/8"	5-1/2"	17#	J-55	ST&C	New

Casing design subject to revision based on geologic conditions encountered.

5. Cement Program

Surface	Type and Amount
TOC @ Surface	220 sx 2-Premium plus with 2% CaCl ₂ and 0.25 pps Flocele, 1.15 ft ³ /sk and 15.8 ppg
Production	Type and Amount
TOC @ 600'	Lead: 210 sx Class B, C or G with 10 pps Gilsonite, 3% Salt, 3 pps GR3, 16% Gel and 0.25 pps Flocele, 3.86 ft ³ /sk, 11 ppg Tail: 140 sx 50/50 Pozmix with 10% Salt, 0.2% DS20 and 0.3% SL05, 1.19 ft ³ /sk, 14.5 ppg



Jensen #14C-10-12-10

562' FSL and 775' FWL

SW SW Section 10, T12S - R10E

Carbon County, Utah

DRILLING PROGRAM

Page 3

6. Drilling Fluids

The proposed circulating mediums to be employed in drilling are as follows:

<i>Interval</i>	<i>Mud Type</i>	<i>Mud Wt.</i>	<i>Visc.</i>	<i>F/L</i>
0' - 600'	Air*	-	-	-
600' - 3,500'	Fresh Water	8.4 - 8.6	26 - 28	N/C
3,500' - 5,028'	LSND	8.7 - 9.0	34 - 40	12 - 12

*Potential lost circulation or fluid seepage. In severe cases Cedar Fiber and Nutshell are recommended.

7. Testing, Logging and Coring

The anticipated type and amount of testing, logging and coring are as follows:

- a. No drill stem tests are anticipated.
- b. The logging program will consist of a Triple Combo with High Res Density.
- c. No cores are anticipated.

8. Anticipated Pressures and H₂S

- a. Normal pressures and temperatures are expected in the objective formation. A maximum bottom hole temperature of 120° Fahrenheit is anticipated. Sour gas (H₂S) is not anticipated.

9. Water Source

- a. Water will be obtained from one of the two following sources:
 - Nelco Contractors will haul city water from the Price Fairgrounds.
 - Water will be trucked from Pioneer's Central Production Facility located in Section 11, T12S - R10E under Water Right No. 94-4983.



Jensen #14C-10-12-10

562' FSL and 775' FWL

SW SW Section 10, T12S - R10E

Carbon County, Utah

DRILLING PROGRAM

Page 4

10. Other Information

- a. Operations are planned to commence on October 20, 2008.
- b. It is anticipated that the drilling of this well will take approximately 9 days.
- c. Lining of the reserve pit will be done if deemed necessary by the Utah Division of Oil, Gas and Minerals.
- d. At the end of drilling operations the location will be reclaimed and re-seeded as requested by the surface owner.

Surface Owner

Dix Jensen

435/637-1236



PIONEER NATURAL RESOURCES USA, INC.

JENSEN #14C-10-12-10

LOCATED IN CARBON COUNTY, UTAH

SECTION 10, T12S, R10E, S.L.B.&M.

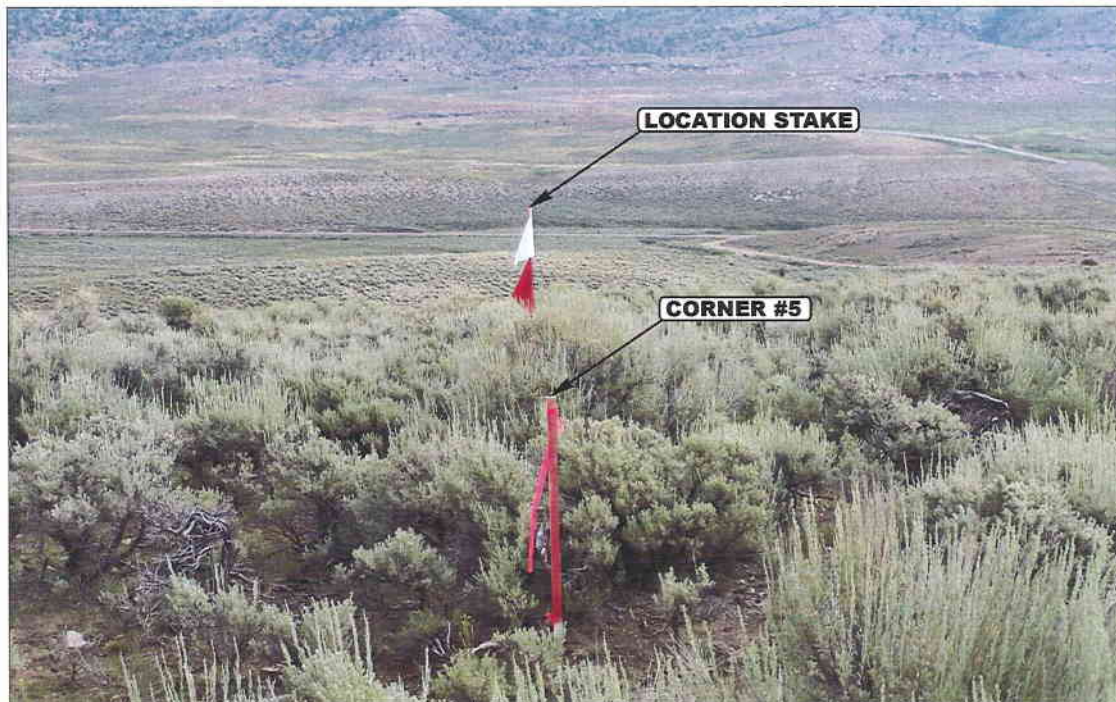


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

**U
E
L
S**

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078

(435) 789-1017 * FAX (435) 789-1813

LOCATION PHOTOS

08 29 08
MONTH DAY YEAR

PHOTO

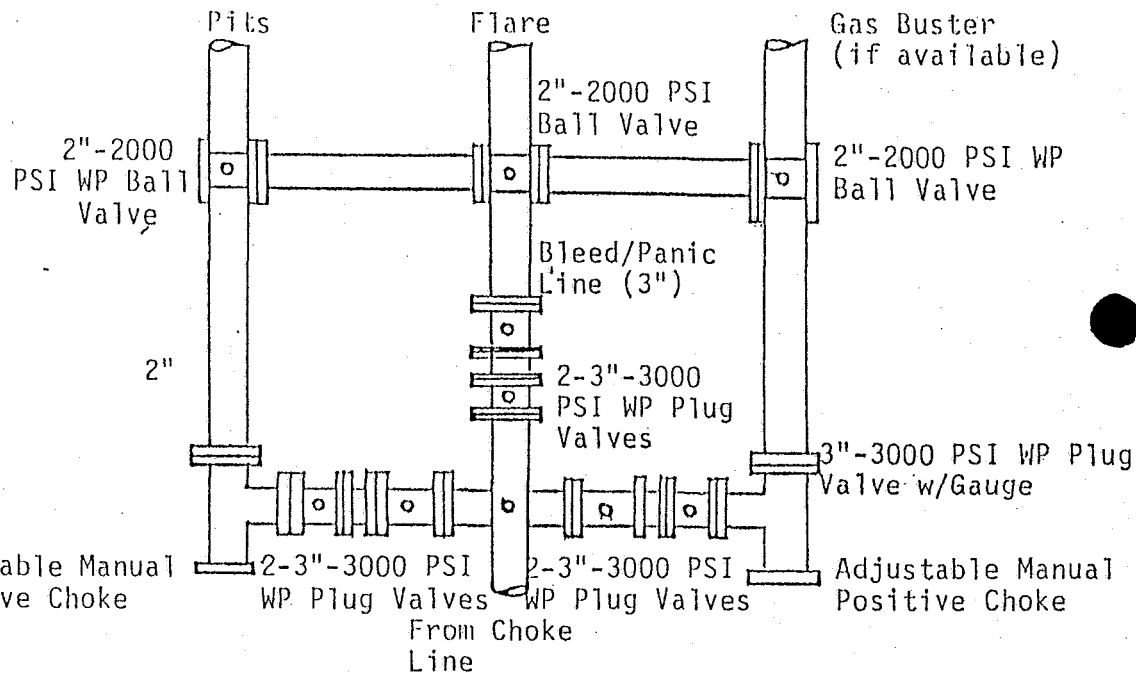
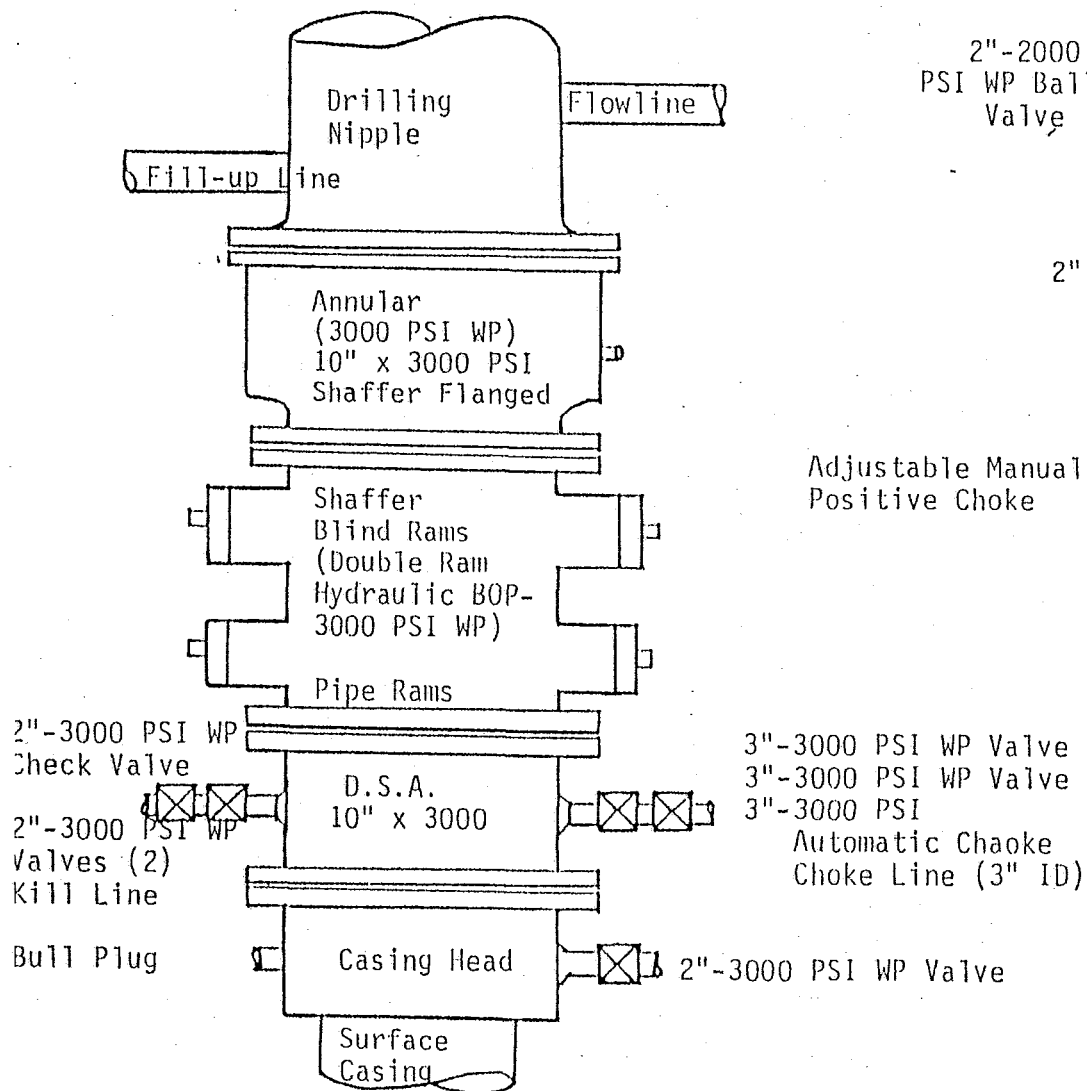
TAKEN BY: N.H.

DRAWN BY: Z.L.

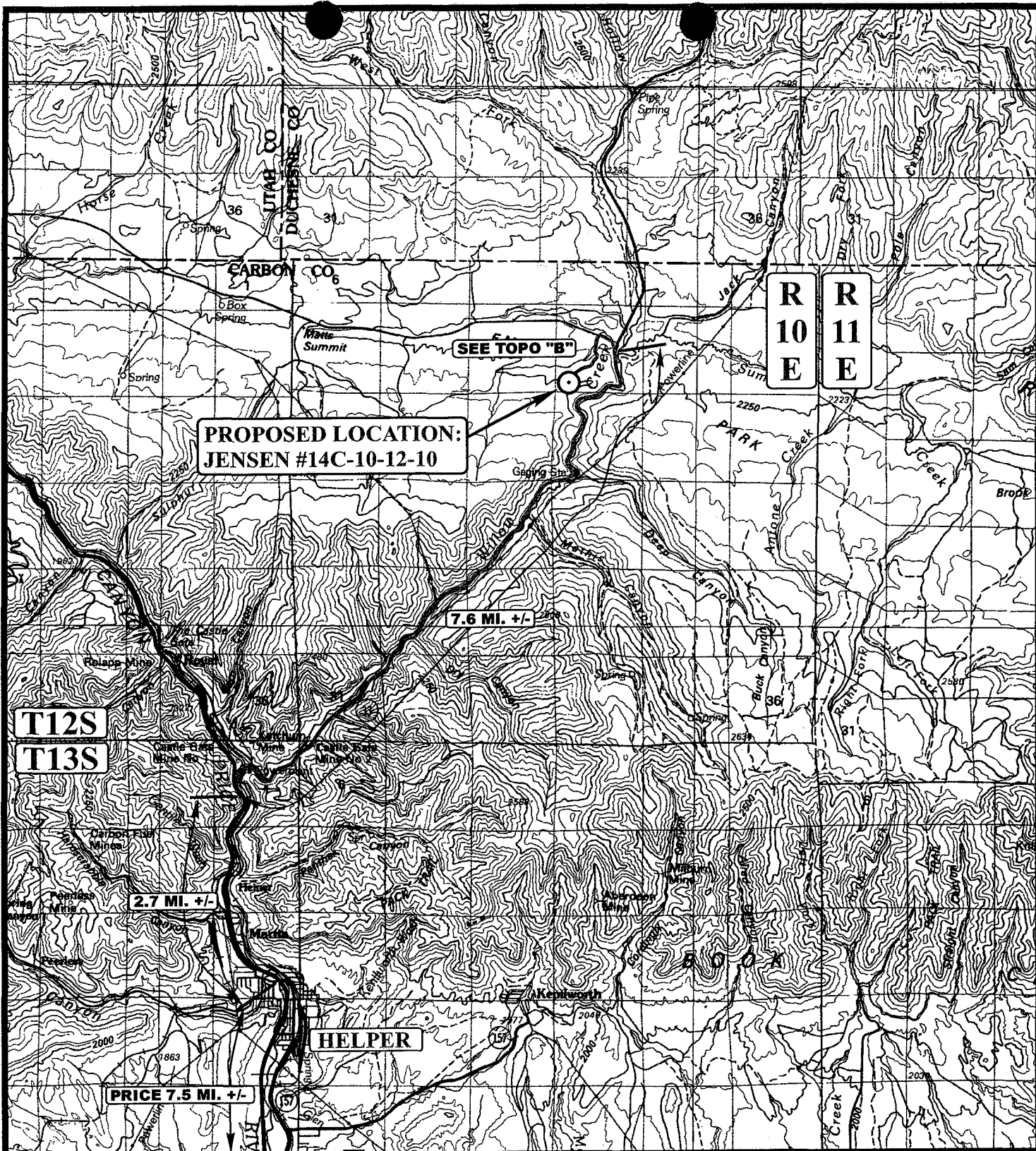
REVISED: 00-00-00

BOP SCHEMATIC
3000 PSI WORKING PRESSURE

PLAN VIEW CHOKE MANIFOLD



The hydraulic closing unit will be located more than 30' from the wellhead. Choke and bleed/panic lines will go to the pit and flare. All connections in choke lines and manifold will be flanged or welded. All flanges should be ring joint gasket type. All turns in lines shall be constructed using targeting 90° tees or ells. All lines shall be anchored.



LEGEND:

○ PROPOSED LOCATION

PIONEER NATURAL RESOURCES USA, INC.

JENSEN #14C-10-12-10

SECTION 10, T12S, R10E, S.L.B.&M.

562' FSL 775' FWL

**TOPOGRAPHIC
MAP**

08 29 08

MONTH DAY YEAR

SCALE: 1:100,000

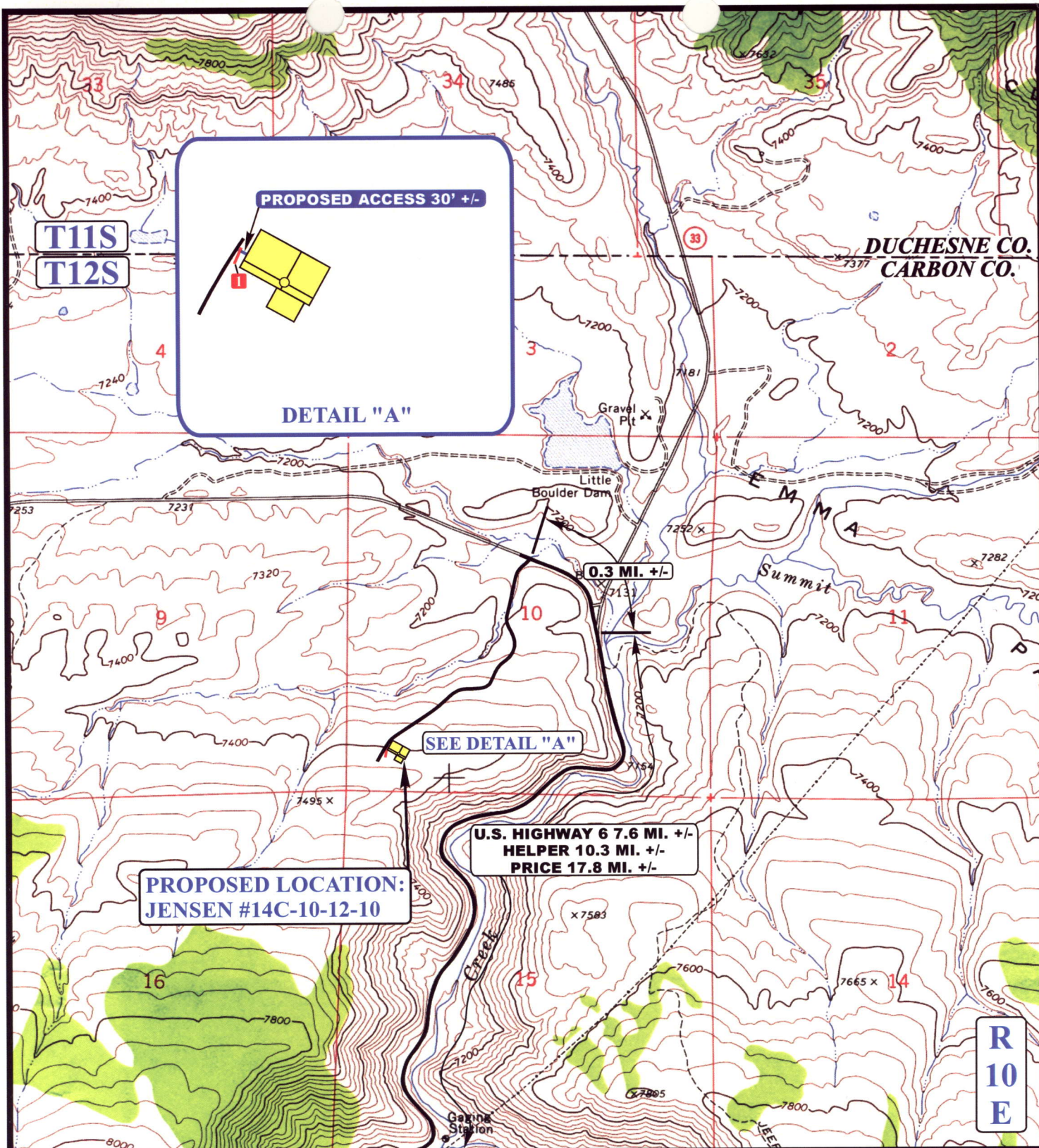
DRAWN BY: Z.L.

REVISED: 00-00-00

TOPO

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Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING OLD ROAD NEEDS UPGRADED
- 18" CMP REQUIRED

PIONEER NATURAL RESOURCES USA, INC.

JENSEN #14C-10-12-10
SECTION 10, T12S, R10E, S.L.B.&M.
562' FSL 775' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

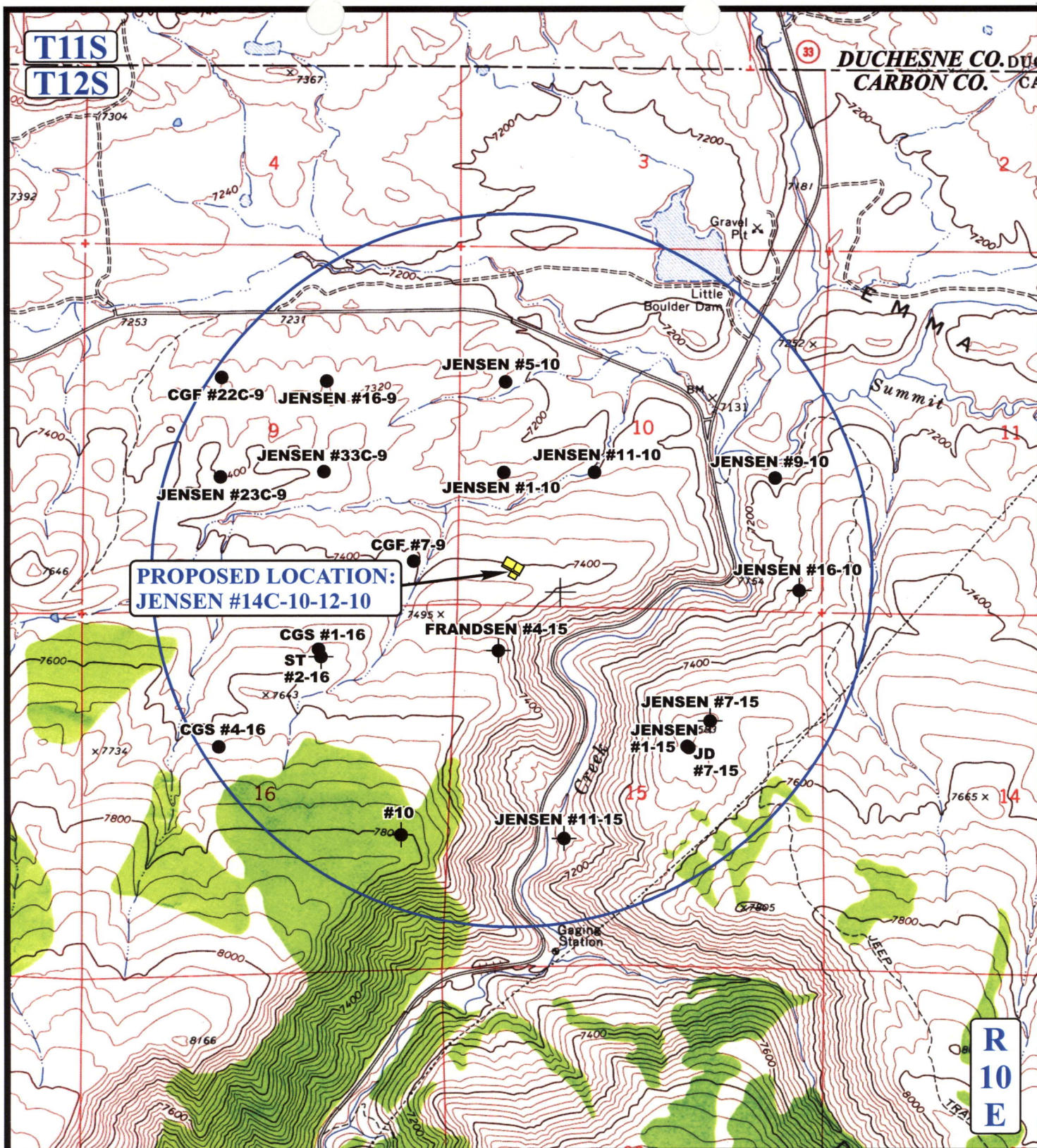


TOPOGRAPHIC
MAP

08 29 08
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: Z.L. REVISED: 00-00-00

B
TOPO



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

PIONEER NATURAL RESOURCES USA, INC.

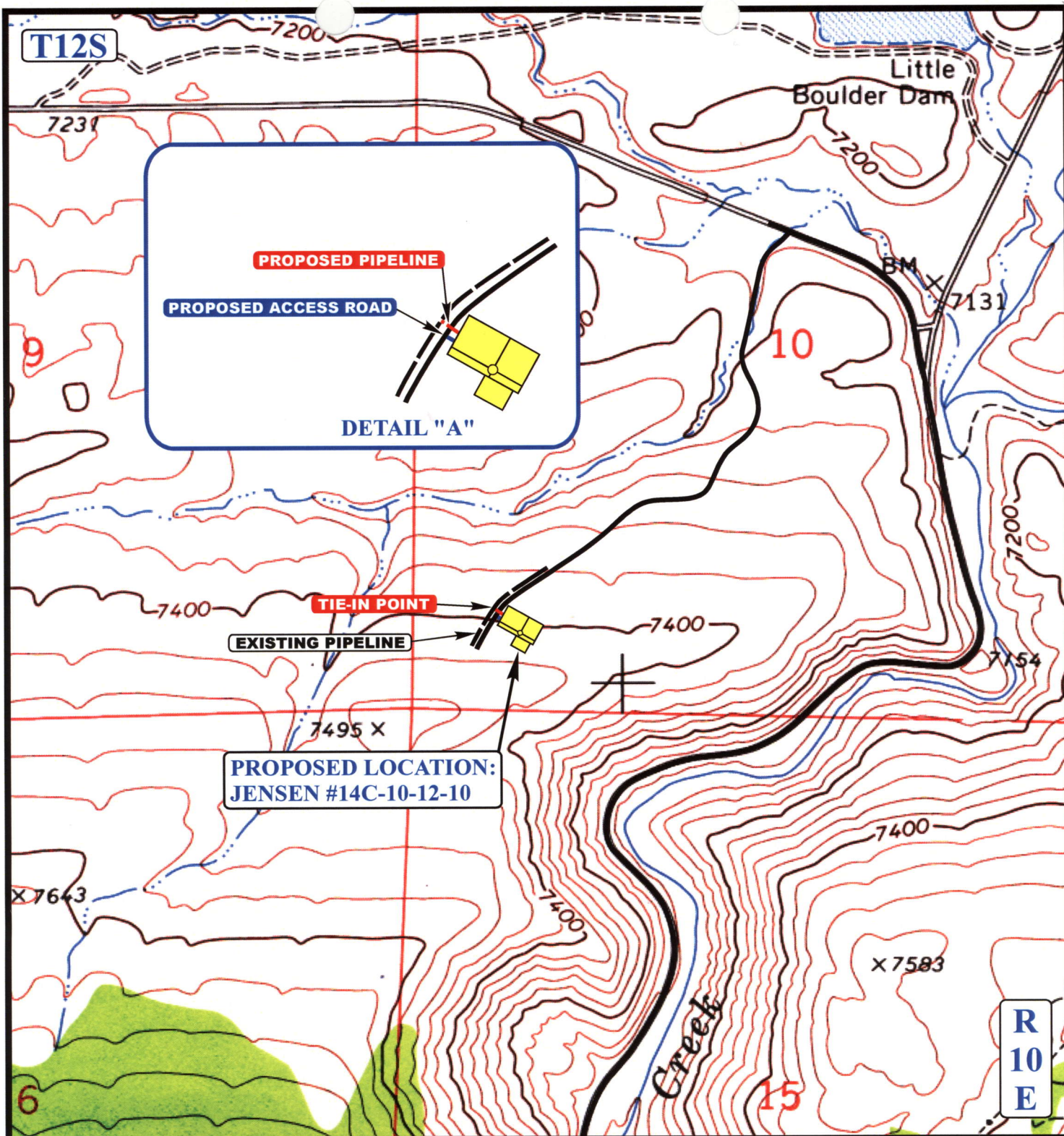
JENSEN #14C-10-12-10
SECTION 10, T12S, R10E, S.L.B.&M.
562' FSL 775' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP
08 29 08
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: Z.L. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 78' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE



PIONEER NATURAL RESOURCES USA, INC.

JENSEN #14C-10-12-10
SECTION 10, T12S, R10E, S.L.B.&M.
562' FSL 775' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP

08	29	08
MONTH	DAY	YEAR

SCALE: 1" = 1000' DRAWN BY: Z.L. REVISED: 00-00-00

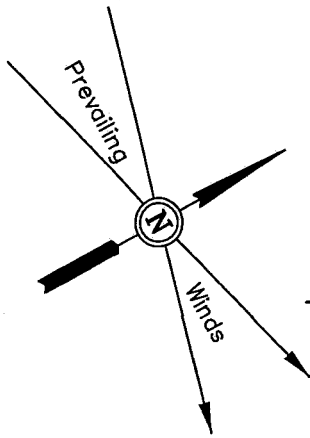


PIONEER NATURAL RESOURCES USA, INC.

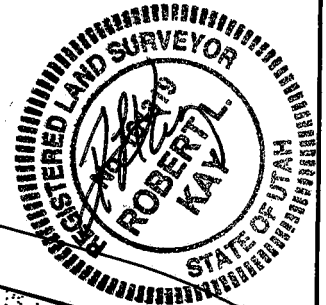
FIGURE #1

LOCATION LAYOUT FOR

JENSEN #14C-10-12-10
SECTION 10, T12S, R10E, S.L.B.&M.
562' FSL 775' FWL

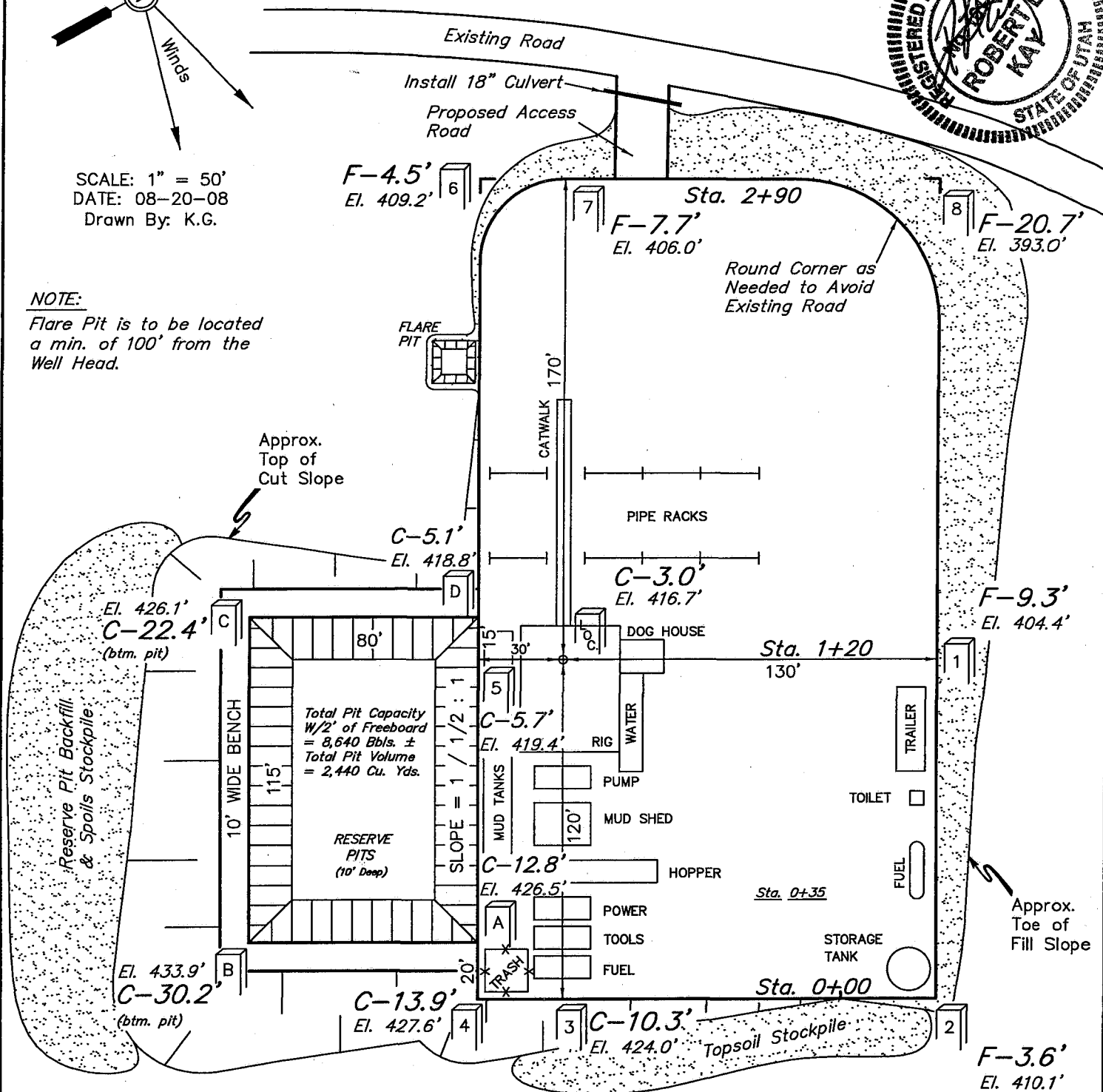


SCALE: 1" = 50'
DATE: 08-20-08
Drawn By: K.G.



NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 7416.7'
FINISHED GRADE ELEV. AT LOC. STAKE = 7413.7'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

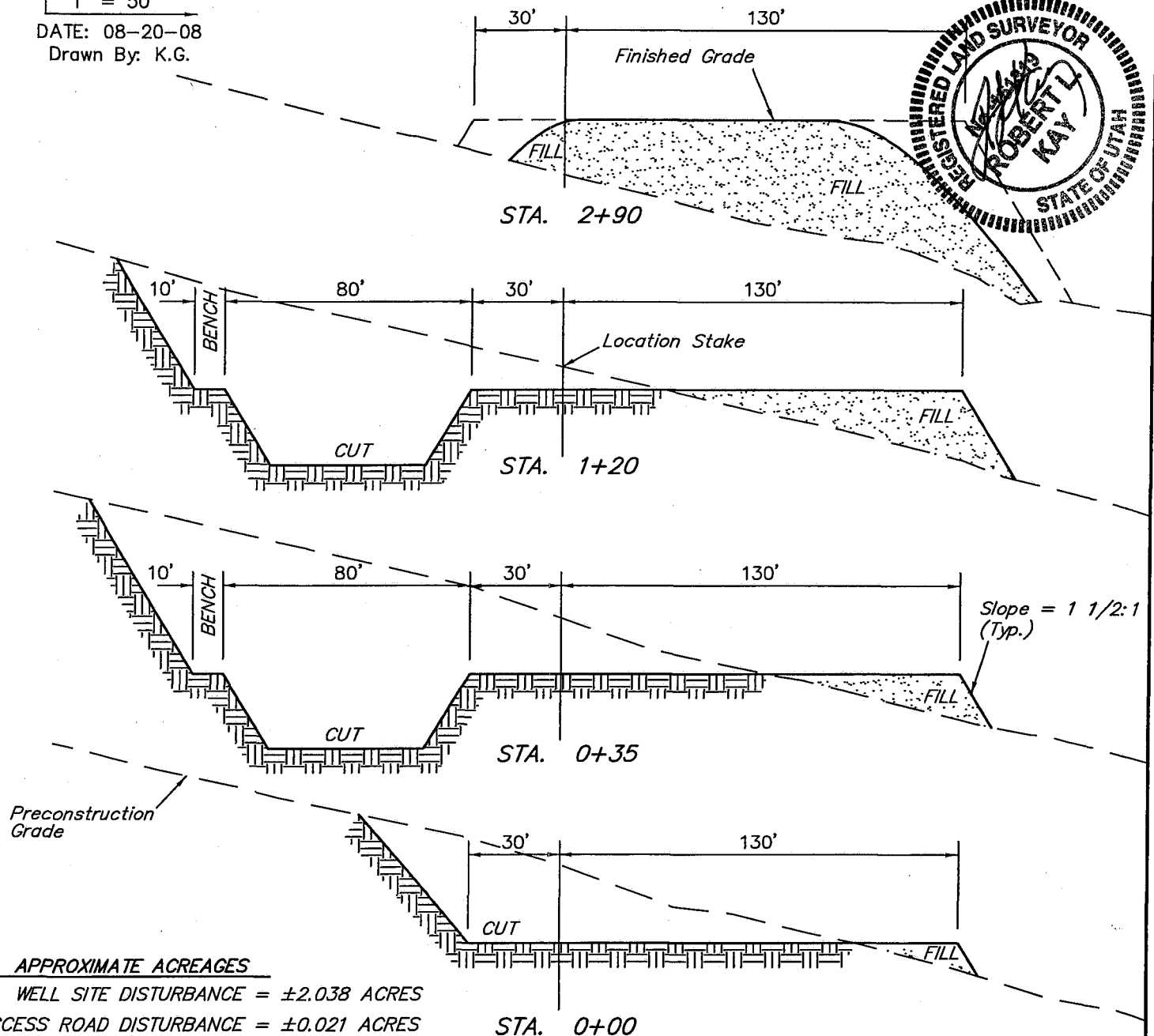
PIONEER NATURAL RESOURCES USA, INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

JENSEN #14C-10-12-10
SECTION 10, T12S, R10E, S.L.B.&M.
562' FSL 775' FWL

1" = 20'
X-Section
Scale
1" = 50'
DATE: 08-20-08
Drawn By: K.G.



APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ± 2.038 ACRES
ACCESS ROAD DISTURBANCE = ± 0.021 ACRES
PIPELINE DISTURBANCE = ± 0.054 ACRES
TOTAL = ± 2.113 ACRES

* NOTE:

FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,550 Cu. Yds.
Remaining Location = 12,580 Cu. Yds.
TOTAL CUT = 14,130 CU.YDS.
FILL = 11,360 CU.YDS.

NOTE:

Topsoil should not be
Stripped Below Finished
Grade on Substructure Area.

EXCESS MATERIAL = 2,770 Cu. Yds.
Topsoil & Pit Backfill
(1/2 Pit Vol.) = 2,770 Cu. Yds.
EXCESS UNBALANCE = 0 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/16/2008

API NO. ASSIGNED: 43-007-31453

WELL NAME: JENSEN 14C-10-12-10

OPERATOR: PIONEER NATURAL (N5155)

PHONE NUMBER: 303-857-9999

CONTACT: VENESSA LANGMACHER

PROPOSED LOCATION:

SWSW 10 120S 100E

SURFACE: 0562 FSL 0775 FWL

BOTTOM: 0562 FSL 0775 FWL

COUNTY: CARBON

LATITUDE: 39.79268 LONGITUDE: -110.7941

UTM SURF EASTINGS: 517633 NORTHINGS: 4404558

FIELD NAME: CASTLEGATE (13)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	Dick	11/17/08
Geology		
Surface		

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: BLKHK

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 104319462)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 94-4983)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

_____ R649-2-3.
Unit: _____
_____ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
_____ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 220-04
Eff Date: 4-30-2002
Siting: 1660' Fr Outer bdrly u. 1320' Fr Outer bdrly
_____ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (10-21-08)

STIPULATIONS:

1- STATEMENT OF BASIS
2- Surface Csg Cont stip

API Number: 4300731453

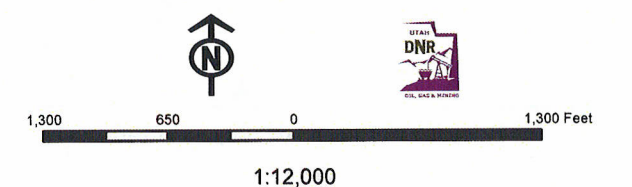
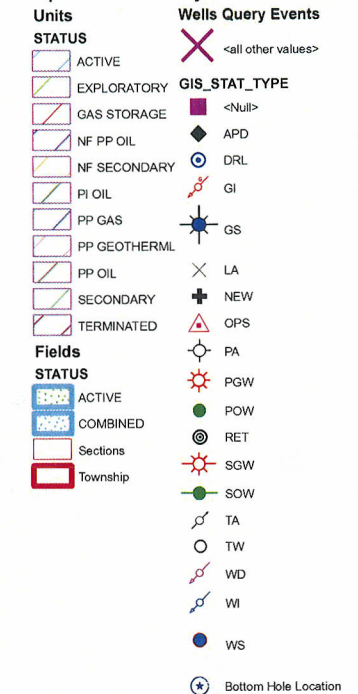
Well Name: JENSEN 14C-10-12-10

Township 12.0 S Range 10.0 E Section 10

Meridian: SLBM

Operator: PIONEER NATURAL RESOURCES USA, INC

Map Prepared:
Map Produced by Diana Mason



Application for Permit to Drill

Statement of Basis

11/10/2008

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
1125	43-007-31453-00-00		GW	P	No
Operator	PIONEER NATURAL RESOURCES USA, IN				Surface Owner-APD
Well Name	JENSEN 14C-10-12-10	Unit			
Field	CASTLEGATE	Type of Work			
Location	SWSW 10 12S 10E S 562 FSL 775 FWL GPS Coord (UTM) 517633E 4404558N				

Geologic Statement of Basis

A well drilled at this location will likely spud into a permeable soil developed on the Tertiary/Cretaceous-age Undivided Flagstaff Limestone/North Horn Formation. It is likely that considerable volumes of fresh water may be encountered in permeable Tertiary Flagstaff Limestone and Cretaceous-age North Horn and Mesa Verde Group strata. The nearest mapping of the base of moderately saline ground water in the area (~13 miles east) implies that it may be as much as 5,000' below the surface. Numerous water rights have been filed, including many underground water rights within a mile of the location. Drainage is to the north into a small, unnamed drainage in Emma Park that feeds into nearby Willow Creek, which eventually flows into the Price River. The prodigious column of permeable sands in the Cretaceous is exposed during drilling below the surface casing. The proposed casing and cementing program and the benign drilling fluid system will adequately protect the ground water resource.

Chris Kierst
APD Evaluator

11/10/2008
Date / Time

Surface Statement of Basis

On-site evaluation conducted August 26, 2008. In attendance: Bart Kettle-Division of Oil, Gas and Mining (DOGM), Dallas Christensen-Pioneer Natural Resources. Invited and choosing not to attend: Jim Jensen-Surface Representative.

Proposed site appears adequate for the drilling program. Well site falls within core greater sage grouse brooding area. An active lek is located one mile northwest. Due to the proximity to an existing access road an additional well at this site isn't likely to have significant impacts.

Reserve pit should have a 12 mil liner properly installed prior to commencement of drilling activities. Three sides require fence while drilling, with the forth side fenced immediately following removal of drilling equipment.

Bart Kettle
Onsite Evaluator

10/21/2008
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator PIONEER-NATURAL-RESOURCES USA, INC
Well Name JENSEN 14C-10-12-10
API Number 43-007-31453-0 **APD No** 1125 **Field/Unit** CASTLEGATE
Location: 1/4,1/4 SWSW **Sec** 10 **Tw** 12S **Rng** 10E 562 FSL 775 FWL
GPS Coord (UTM) **Surface Owner**

Participants

Bart Kettle-Division of Oil, Gas and Mining (DOGM), Dallas Christensen-Pioneer Natural Resources

Regional/Local Setting & Topography

Proposed project is ~9.5 miles northwest of Helper, located in Carbon County Utah. Location is surrounded by sage-step rangelands. Rangelands consist of a large sage-step valley nearly 10 miles wild. To the north topography rise into steep hillside dominated by Douglas fir and mountain browse communities, to the south are a series of steep canyons/ledges covered with Pinion/Juniper woodlands and Ponderosa pine and Gambel oak communities. Willow Creek is a perennial water body, located one mile southeast of the project area. The project is located in a 16-18" precept zone in what is referred to as Emma Park. Regional topography is semi-arid rangelands dominated by Pinion/Juniper woodlands and salt scrub communities. Soils in the region are generally poorly developed, and moderate too highly erosive clay or clay loams.

Surface Use Plan

Current Surface Use

Grazing

Wildlife Habitat

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0.1	Width 250	Length 290	FLAG

Ancillary Facilities

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Flora:

Grass: Thickspike wheatgrass, June grass, Salina rye, Columbia needle grass

Forbs: Lomation spp, spiny phlox, vetch spp, firecracker penstomen, Rocky Mountain aster, wavy leaf thistle, apricot mallow.

Shrubs: Wyoming sage, woods rose

Trees: None

Fauna: Could include a host of sage brush obligates such as sage grouse and sage thrasher. Host of small mammal such as cotton tail rabbits and deer mouse. Potential raptor habitat. Transitional range for elk, year long use by mule deer, red fox, coyote, bobcat and mountain lion. Seasonal use by migrating song birds.

Soil Type and Characteristics

Dark brow clay loams, many large limestone fragments

Erosion Issues Y

Soils prone to wind erosion once disturbed. Mitigation not recommended.

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? N **Paleo Potential Observed?** N **Cultural Survey Run?** Y **Cultural Resources?** N

Reserve Pit

Site-Specific Factors

Site Ranking

Distance to Groundwater (feet) >200

0

Distance to Surface Water (feet) >1000

0

Dist. Nearest Municipal Well (ft) >5280

0

Distance to Other Wells (feet) >1320

0

Native Soil Type Mod permeability

10

Fluid Type Fresh Water

5

Drill Cuttings Normal Rock

0

Annual Precipitation (inches) 10 to 20

5

Affected Populations <10

0

Presence Nearby Utility Conduits Not Present

0

Final Score

20

1

Sensitivity Level

Characteristics / Requirements

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 12 **Pit Underlayment Required?** N


Other Observations / Comments

Bart Kettle

10/21/2008


Evaluator

Date / Time

 Online Services Agency List Business

Search

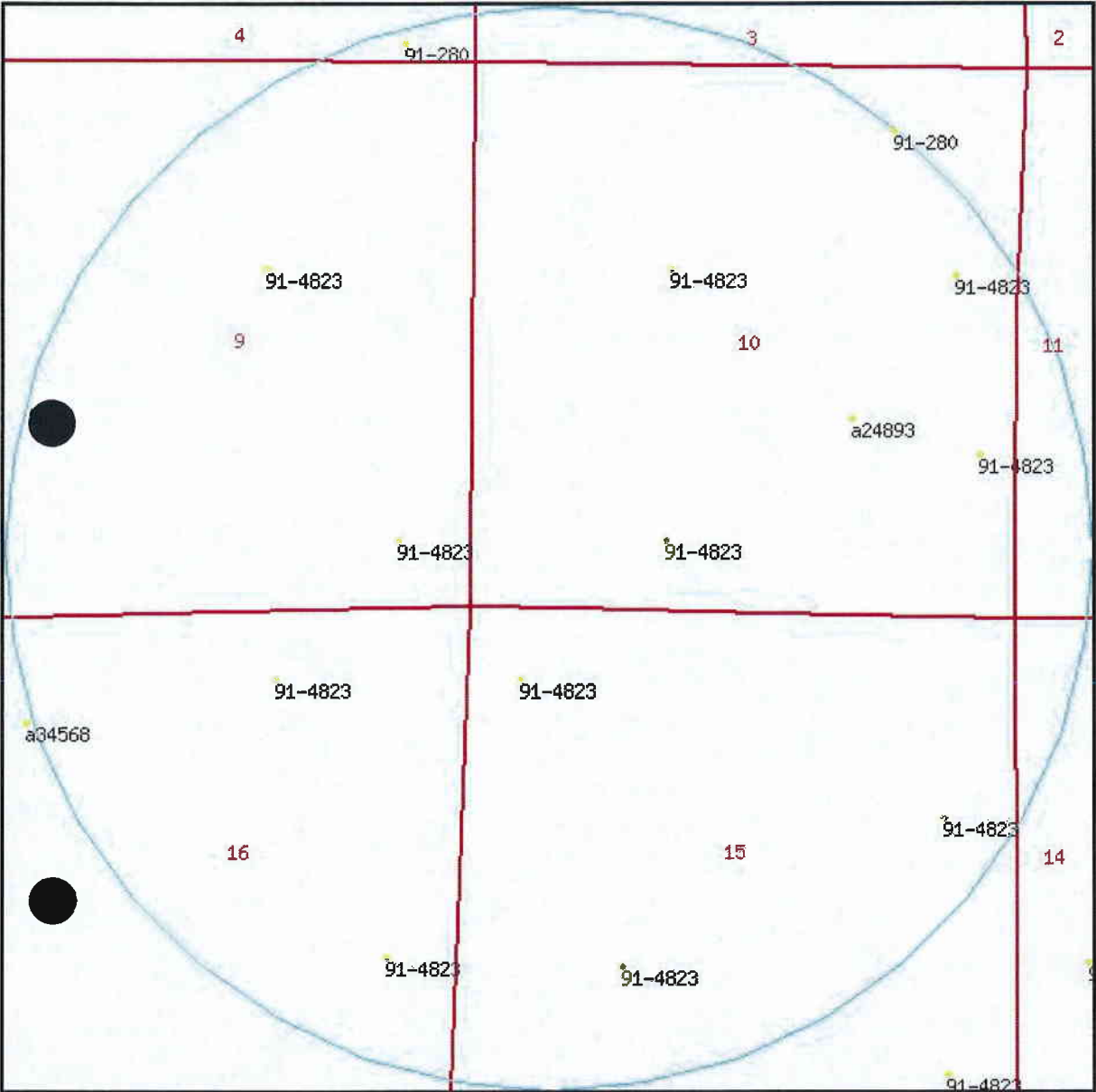
Utah Division of Water Rights



WRPLAT Program Output Listing

Version: 2007.04.13.01 Rundate: 11/10/2008 03:11 PM

Radius search of 5280 feet from a point N562 E775 from the SW corner, section 10, Township 12S, Range 10E, SL b&m Criteria:wrtypes=W,C,E
podtypes=S,U,Sp status=U,A,P usetypes=all



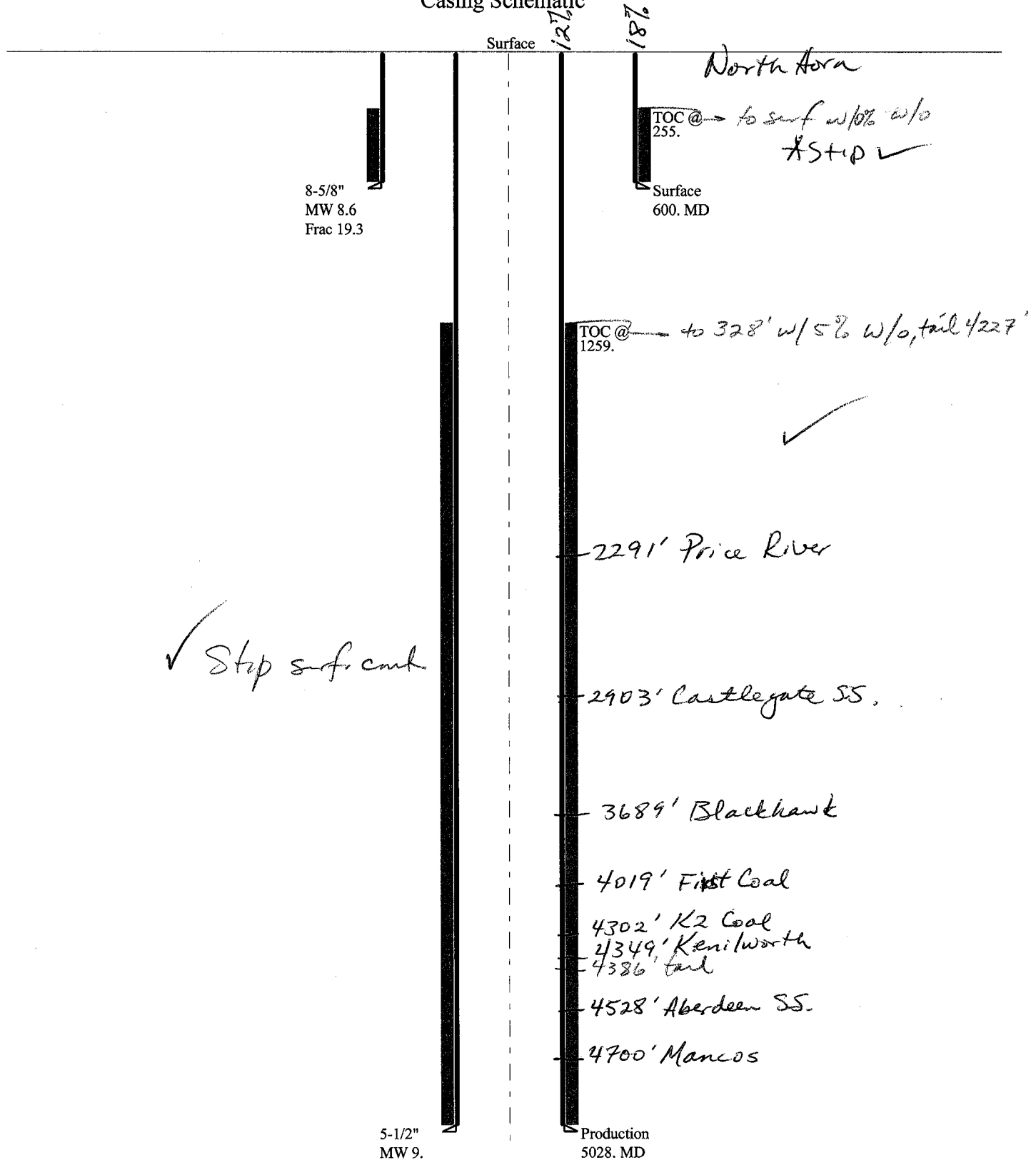
Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>91-280</u>	Surface N200 W700 SE 04 12S 10E SL		U	19601026	MO	0.000	2.200	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-280</u>	Surface S600 W1300 NE 10 12S 10E SL		U	19601026	MO	0.000	2.200	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground S2000 W2050 NE 09 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground S700 W1900 NE 16 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground N2000 W600 SE 16 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground N650 W700 SE 09 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground S700 E500 NW 15 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground N1900 E1700 SW 15 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT

	N650 E1900 SW 10 12S 10E SL					P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000		PRICE RIVER WATER IMPROVEMENT DISTRICT
	S2000 E1900 NW 10 12S 10E SL					P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000		PRICE RIVER WATER IMPROVEMENT DISTRICT
	S1950 W700 NE 15 12S 10E SL					P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000		PRICE RIVER WATER IMPROVEMENT DISTRICT
	N850 W700 SE 15 12S 10E SL					P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000		PRICE RIVER WATER IMPROVEMENT DISTRICT
	S2000 W700 NE 10 12S 10E SL					P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000		PRICE RIVER WATER IMPROVEMENT DISTRICT
	N1600 W350 SE 10 12S 10E SL					P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000		PRICE RIVER WATER IMPROVEMENT DISTRICT
	N1950 E700 SW 14 12S 10E SL					P.O. BOX 903
<u>a24893</u>	Surface	A	20061107 DO	0.000 9.000		J.M. HUBER CORPORATION
	N1950 W1600 SE 10 12S 10E SL					1050 17TH STREET SUITE 700
<u>a34568</u>	Underground	U	20080609 M	0.000 5000.000		PRICE CITY MUNICIPAL CORPORATION
	S990 E1145 NE 17 12S 10E SL					C/O GARY SONNTAG

43007314530000 Jensen 14C-10-12-10

Casing Schematic



Well name:

43007314530000 Jensen 14C-10-12-10Operator: **Pioneer Natural Resources USA, Inc.**String type: **Surface**

Project ID:

43-007-31453-0000Location: **Carbon County****Design parameters:****Collapse**

Mud weight: 8.600 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 73 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 150 ft

Cement top: 255 ft

Burst

Max anticipated surface

pressure: 528 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 600 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 522 ft

Non-directional string.**Re subsequent strings:**

Next setting depth: 5,028 ft

Next mud weight: 9.000 ppg

Next setting BHP: 2,351 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 600 ft

Injection pressure: 600 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	600	8.625	24.00	J-55	ST&C	600	600	7.972	214.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	268	1370	5.112	600	2950	4.92	14	244	16.95 J

Prepared Helen Sadik-Macdonald
by: Div of Oil, Gas & MineralsPhone: 801-538-5357
FAX: 801-359-3940Date: November 17, 2008
Salt Lake City, Utah**ENGINEERING STIPULATIONS:**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

43007314530000 Jensen 14C-10-12-10Operator: **Pioneer Natural Resources USA, Inc.**String type: **Production**

Project ID:

43-007-31453-0000Location: **Carbon County****Design parameters:****Collapse**

Mud weight: 9.000 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 135 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 368 ft

Cement top: 1,259 ft

Burst

Max anticipated surface

pressure: 1,245 psi

Internal gradient: 0.220 psi/ft

Calculated BHP 2,351 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 4,342 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5028	5.5	17.00	J-55	ST&C	5028	5028	4.767	656.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2351	4910	2.089	2351	5320	2.26	85	229	2.68 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & MineralsPhone: 801-538-5357
FAX: 801-359-3940Date: November 17, 2008
Salt Lake City, Utah**ENGINEERING STIPULATIONS:**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

BOPE REVIEW
Pioneer Jensen 14C-10-12-10
API 43-007-31453-0000
INPUT

Well Name

Casing Size (")

Setting Depth (TVD)

Previous Shoe Setting Depth (TVD)

Max Mud Weight (ppg)

BOPE Proposed (psi)

Casing Internal Yield (psi)

Operators Max Anticipated Pressure (psi)

Pioneer Jensen 14C-10-12-10		API 43-007-31453-0000	
String 1	String 2		
8 5/8	5 1/2		
600	5028		
0	600		
8.8	9	✓	
0	3000		
2950	5320		
2177	8.3 ppg	✓	

Calculations
String 1 8 5/8 "

Max BHP [psi]

.052*Setting Depth*MW = 275

BOPE Adequate For Drilling And Setting Casing at Depth?

MASP (Gas) [psi]

Max BHP-(0.12*Setting Depth) = 203

NO

MASP (Gas/Mud) [psi]

Max BHP-(0.22*Setting Depth) = 143

NO

***Can Full Expected Pressure Be Held At Previous Shoe?**

Pressure At Previous Shoe Max BHP-.22*(Setting Depth - Previous Shoe Depth) = 143

Required Casing/BOPE Test Pressure

600 psi

*Max Pressure Allowed @ Previous Casing Shoe =

0 psi

*Assumes 1psi/ft frac gradient

Calculations
String 2 5 1/2 "

Max BHP [psi]

.052*Setting Depth*MW = 2353

BOPE Adequate For Drilling And Setting Casing at Depth?

MASP (Gas) [psi]

Max BHP-(0.12*Setting Depth) = 1750

YES ✓

MASP (Gas/Mud) [psi]

Max BHP-(0.22*Setting Depth) = 1247

YES

***Can Full Expected Pressure Be Held At Previous Shoe?**

Pressure At Previous Shoe Max BHP-.22*(Setting Depth - Previous Shoe Depth) = 1379

Required Casing/BOPE Test Pressure

3000 psi

*Max Pressure Allowed @ Previous Casing Shoe =

600 psi

*Assumes 1psi/ft frac gradient



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 17, 2008

Pioneer Natural Resources USA, Inc.
1401 - 17th St., Ste. 1200
Denver, CO 80202

Re: Jensen 14C-10-12-10 Well, 562' FSL, 775' FWL, SW SW, Sec. 10, T. 12 South,
R. 10 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31453.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor



Operator: Pioneer Natural Resources USA, Inc.
Well Name & Number Jensen 14C-10-12-10
API Number: 43-007-31453
Lease: Fee

Location: SW SW Sec. 10 T. 12 South R. 10 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

Page Two
43-007-31453
November 17, 2008

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
5. Surface casing shall be cemented to surface.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Pioneer Natural Resources USA, Inc. Operator Account Number: N 5155
Address: 1401 17th Street - Suite 1200
city Denver
state CO zip 80202 Phone Number: (303) 675-2663

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300731453	Jensen 14C-10-12-10		SWSW	10	12S	10E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	17235	11/20/2008			12/4/08	
Comments: BLKHK = MVRD							CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Joy A. Ziegler

Name (Please Print)

Signature

Senior Engineering Tech

Title

11/25/2008

Date

RECEIVED

DEC 01 2008

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

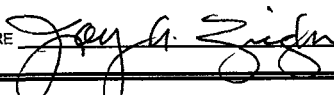
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1401 17th Street - Ste 1200 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 562' FSL, 775' FWL		8. WELL NAME and NUMBER: Jensen 14C-10-12-10
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 10 12S 10E		9. API NUMBER: 43-007-31453
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Castlegate/Blackhawk
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 12/1/2008	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Drilling Summary
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

11/20/08 - 12/1/08

RU Pense surf rig - spud @ 13:00 hrs 11/20/08 w/11" hammer - drld to 560' - ran 14 jts (610') 24#, J55, ST&C 8-5/8" csg. RU Pioneer Cementers, pumped 255 sx (55 bbls) 15# cmt. RU Frontier Rig #1 - tag cmt @ 362' - drld 7-7/8" hole to TD of 4600' 11/29/08. Baker Atlas ran Triple Combo log, LDT 4600'. Ran 111 jts 5-1/2" J55, 17# LT&C - shoe @ 4590', FC @ 4500'. RU Pioneer Cementers: Lead w/422 sx (150 bbls) SDC Lite Cl "G", tail w/208 sx (51 bbls) 50/50 Pozmix. Bumped plug, held ok. Released rig @ 1800 12/1/08.

NAME (PLEASE PRINT) Joy A. Ziegler	TITLE Senior Engineering Tech
SIGNATURE 	DATE 12/8/2008

(This space for State use only)

RECEIVED

DEC 10 2008

DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: PIONEER NATURAL RESOURCES USA, INC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1401 17th Street, Suite 1200 , Denver, CO, 80202		8. WELL NAME and NUMBER: JENSEN 14C-10-12-10
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0562 FSL 0775 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSW Section: 10 Township: 12.0S Range: 10.0E Meridian: S		9. API NUMBER: 43007314530000
PHONE NUMBER: 303 298-8100 Ext		9. FIELD and POOL or WILDCAT: CASTLEGATE
COUNTY: CARBON		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 12/18/2009	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input checked="" type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR	
	<input type="checkbox"/> CHANGE WELL NAME	
	<input type="checkbox"/> CONVERT WELL TYPE	
	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> APD EXTENSION	
	OTHER:	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. PBSD: 4500' 12/12/08 Perfd 4430-4435, 4449-59, 4480-85, 4294-99, 4313-18, 4322-27, 4340-50, 4360-4485 4175-85, 4187-92, 4074-84, 4096-4106 12/18/08 4 Stage Frac: Total of 309,000# 20/40 Brady Sand, 2142 BW, 4,577,000 scf N2. Tubing set 1/30/09: 2-7/8" set @ 4437' Date of 1st Prod: 1/31/09 Date of Test: 2/20/09: 24 hrs, 198 MCF, 189 BW, TP 50 Well is currently Producing		
<div style="display: flex; justify-content: space-between;"> <div> NAME (PLEASE PRINT) Joy A. Ziegler </div> <div> PHONE NUMBER 303 675-2663 </div> <div> TITLE Senior Engineering Tech </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div> SIGNATURE N/A </div> <div> DATE 7/21/2009 </div> </div>		

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

AMENDED REPORT ☐
(highlight changes)

FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <u>CBM</u>						5. LEASE DESIGNATION AND SERIAL NUMBER: <u>Fee</u>																																																																									
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____						6. IF INDIAN, ALLOTTEE OR TRIBE NAME																																																																									
2. NAME OF OPERATOR: <u>Pioneer Natural Resources USA, Inc.</u>						7. UNIT or CA AGREEMENT NAME																																																																									
3. ADDRESS OF OPERATOR: <u>1401 17th Street - #1200 CITY Denver STATE CO ZIP 80202</u>						PHONE NUMBER: <u>(303) 675-2663</u>		8. WELL NAME and NUMBER: <u>Jensen 14C-10-12-10</u>																																																																							
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <u>562' FSL, 775' FWL</u> AT TOP PRODUCING INTERVAL REPORTED BELOW: <u>Same</u> AT TOTAL DEPTH: <u>Same</u>						9. API NUMBER: <u>43-007-31453</u>																																																																									
14. DATE SPUDDED: <u>11/20/2008</u>						15. DATE T.D. REACHED: <u>11/29/2008</u>		16. DATE COMPLETED: <u>12/18/2008</u>																																																																							
18. TOTAL DEPTH: MD <u>4,600</u> TVD <u>4,600</u>						19. PLUG BACK T.D.: MD <u>4,500</u> TVD <u>4,500</u>		20. IF MULTIPLE COMPLETIONS, HOW MANY? *																																																																							
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) <u>Comp Neutron; Borehole Profile; CBL/GR</u>						23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)																																																																									
17. ELEVATIONS (DF, RKB, RT, GL): <u>GL 7415, KB 7425</u>																																																																															
24. CASING AND LINER RECORD (Report all strings set in well)						12. COUNTY <u>Carbon</u>																																																																									
						13. STATE <u>UTAH</u>																																																																									
25. TUBING RECORD																																																																															
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(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>																																																																						
27. PERFORATION RECORD																																																																															
28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.																																																																															
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<div style="display: flex; justify-content: space-between;"><div><input checked="" type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION</div><div><input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> CORE ANALYSIS</div><div><input type="checkbox"/> DST REPORT <input type="checkbox"/> OTHER: _____</div><div><input type="checkbox"/> DIRECTIONAL SURVEY</div></div> <div style="text-align: right; font-size: 1.5em; font-weight: bold;">Producing</div>																																																																															

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 1/31/2009		TEST DATE: 2/20/2009		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 0		GAS – MCF: 198		WATER – BBL: 189		PROD. METHOD: Pump							
CHOKE SIZE:		TBG. PRESS. 50		CSG. PRESS. 17		API GRAVITY		BTU – GAS		GAS/OIL RATIO		24 HR PRODUCTION RATES: →		OIL – BBL: 0		GAS – MCF: 198		WATER – BBL: 189		INTERVAL STATUS: Open	

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Test: Gas Vented; Date 1st Produced: Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				Price River	2.352
				Castlegate	2.966
				Blackhawk	3.636
				Kenilworth	4.367
				Aberdeen	4.540

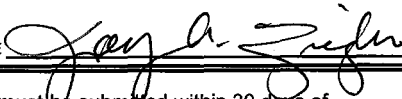
35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Joy A. Ziegler

TITLE Senior Engineering Tech

SIGNATURE



DATE 7/21/2009

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING

1. DJJ
2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

4/1/2010

FROM: (Old Operator):

N5155-Pioneer Natural Resources USA, Inc.
 1401 17th St, Suite 1200
 Denver, CO 80202

Phone: 1 (303) 675-2610

TO: (New Operator):

N3680-Blue Tip Castlegate, Inc.
 15810 Park Ten Place, Suite 160
 Houston, TX 77084

Phone: 1 (303) 979-6023

CA No.				Unit:				
WELL NAME	SEC TWN RNG			API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 6/3/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 6/3/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 5/10/2010
- a. Is the new operator registered in the State of Utah: Business Number: 7624076-0142
- a. (R649-9-2)Waste Management Plan has been received on: Requested 9/13/2010
- b. Inspections of LA PA state/fee well sites complete on: n/a
- c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: * Being held

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 6/30/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 6/30/2010
- Bond information entered in RBDMS on: 6/30/2010
- Fee/State wells attached to bond in RBDMS on: 6/30/2010
- Injection Projects to new operator in RBDMS on: *
- Receipt of Acceptance of Drilling Procedures for APD/New on: 6/30/2010

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: B005638
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number B005639 and B005650
- b. The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 6/30/2010

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Blue Tip Castlegate, Inc. <i>N 36 80</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 15810 Park Ten Place - Ste 160 CITY Houston STATE TX ZIP 77084		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (303) 979-6023		8. WELL NAME and NUMBER: See Attached List
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: Carbon		9. API NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>4/1/2010</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Blue Tip Castlegate, Inc. has acquired all of Pioneer Natural Resources USA, Inc's interest in the Castlegate Field - see attached well list. The effective date of change of operator is April 1, 2010.

Betty Brown 5/13/10
Betty Brown Date
Attorney-In-Fact
Pioneer Natural Resources USA, Inc. *N 5155*
1401 17th Street - Suite 1200
Denver, CO 80202
Phone: 303-675-2610

Bruce L. Taylor 5/13/10
Bruce L. Taylor Date
Manager Vice President *BT*
Blue Tip Castlegate, Inc.
15810 Park Ten Place - Suite 160
Houston, TX 77084
Telephone: 303-979-6023
State Bond No.: B005639
BLM Bond No.: B005638

NAME (PLEASE PRINT) Bruce L. Taylor TITLE Manager Vice President
SIGNATURE *Bruce L. Taylor* DATE 5/13/10

(This space for State use only)

APPROVED 6/30/2010

Earlene Russell

(5/2000)

Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

JUN 03 2010

DIV. OF OIL, GAS & MINING

PIONEER NATURAL RESOURCES (N5155) to BLUE TIP CASTLEGATE (N3680)

well_name	sec	tpw	rng	api	entity	lease	type	stat	C
SHIMMIN TRUST 5-14-12-10	14	120S	100E	4300730122	14175	Fee	GW	P	
CASTLEGATE FED 7-9-12-10	09	120S	100E	4300730137	12991	Federal	GW	P	
JENSEN 9-10-12-10	10	120S	100E	4300730159	12906	Fee	GW	P	
JENSEN 5-10-12-10	10	120S	100E	4300730162	12905	Fee	GW	S	
JENSEN 16-9-12-10	09	120S	100E	4300730163	12904	Fee	GW	P	
JENSEN 11-10-12-10	10	120S	100E	4300730164	11405	Fee	GW	P	
SHIMMIN TRUST 11-11-12-10	11	120S	100E	4300730166	11410	Fee	GW	P	
CASTLEGATE ST 1-16-12-10	16	120S	100E	4300730589	12610	State	GW	P	
JENSEN 1-10-12-10	10	120S	100E	4300730596	12611	Fee	GW	P	
SHIMMIN TRUST 2-11-12-10	11	120S	100E	4300730659	13070	Fee	GW	P	
SHIMMIN TRUST 4-14-12-10	14	120S	100E	4300730662	13071	Fee	GW	P	
SHIMMIN TRUST 1-11-12-10	11	120S	100E	4300730673	12901	Fee	GW	P	
JENSEN 2-10-12-10	10	120S	100E	4300730675	14225	Fee	GW	OPS	
JENSEN 1-9-12-10	09	120S	100E	4300730717	12903	Fee	GW	P	
JENSEN 1-18-12-10	18	120S	100E	4300730718	14226	Fee	GW	P	
JENSEN 1-4-12-10	04	120S	100E	4300730733	13068	Fee	GW	P	
JENSEN 2-8-12-10	08	120S	100E	4300730734	13275	Fee	GW	P	
JENSEN 2-9-12-10	09	120S	100E	4300730735	13317	Fee	GW	P	
JENSEN 1-15-12-10	15	120S	100E	4300730736	13072	Fee	GW	P	
JENSEN 1-8-12-10	08	120S	100E	4300730768	13359	Fee	GW	P	
CASTLEGATE ST 4-16-12-10	16	120S	100E	4300730785	13318	State	GW	P	
JENSEN DEEP 7-15-12-10	15	120S	100E	4300730786	13247	Fee	GW	S	
CASTLEGATE ST 11-16H-12-10	16	120S	100E	4300730961	14224	State	GW	S	
SHIMMIN 11-14-12-10	14	120S	100E	4300730962	14223	Fee	GW	OPS	
JENSEN 23C-9-12-10	09	120S	100E	4300731211	15770	Fee	GW	P	
JENSEN 33C-9-12-10	09	120S	100E	4300731212	15769	Fee	GW	P	
JENSEN 42C-9-12-10	09	120S	100E	4300731213	15766	Fee	GW	P	
JENSEN 43C-9-12-10	09	120S	100E	4300731214	15768	Fee	GW	P	C
CASTLEGATE FED 22C-9-12-10	09	120S	100E	4300731225	15767	Federal	GW	P	
JENSEN 41C-9-12-10	09	120S	100E	4300731452	17246	Fee	GW	OPS	C
JENSEN 14C-10-12-10	10	120S	100E	4300731453	17235	Fee	GW	P	
JENSEN FED 14C-3-12-10	03	120S	100E	4300731495		Federal	GW	APD	C
JENSEN FED 22C-10-12-10	10	120S	100E	4300731498		Federal	GW	APD	C
JENSEN FED 11C-10-12-10	10	120S	100E	4300731499		Federal	GW	APD	C
JENSEN 14C-4-12-10	04	120S	100E	4300731500		Fee	GW	APD	C
JENSEN 44C-4-12-10	04	120S	100E	4300731501		Fee	GW	APD	C
JENSEN 44C-5-12-10	05	120S	100E	4300731502		Fee	GW	APD	C
JENSEN 34C-9-12-10	09	120S	100E	4300731503		Fee	GW	APD	C
JENSEN 31C-9-12-10	09	120S	100E	4300731504		Fee	GW	APD	C
JENSEN 14C-9-12-10	09	120S	100E	4300731505		Fee	GW	APD	C
JENSEN 11C-9-12-10	09	120S	100E	4300731506		Fee	GW	APD	C
JENSEN 24C-9-12-10	09	120S	100E	4300731507		Fee	GW	APD	C
JENSEN ST 11C-34-11-9	34	110S	090E	4304930024	17071	State	GW	S	C

Division of Oil, Gas and Mining
Operator Change/Name Change Worksheet-for State use only

Effective Date: 7/1/2016

FORMER OPERATOR:	NEW OPERATOR:
Blue Tip Castlegate, Inc. 15810 Park Ten Place, Suite 160 Houston TX 77084	Liberty Pioneer Energy Sources, Inc. 1411 East 840 North Orem UT 84097
CA Number(s):	Unit(s): N/A

WELL INFORMATION:

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
See Attached List									

OPERATOR CHANGES DOCUMENTATION:

1. Sundry or legal documentation was received from the **FORMER** operator on: 7/21/2016
2. Sundry or legal documentation was received from the **NEW** operator on: 7/21/2016
3. New operator Division of Corporations Business Number: 6353640-0143

REVIEW:

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A
2. Receipt of Acceptance of Drilling Procedures for APD on: N/A
3. Reports current for Production/Disposition & Sundries: 8/26/2016
4. OPS/SI/TA well(s) reviewed for full cost bonding: 8/26/2016
5. UIC5 on all disposal/injection/storage well(s) approved on: 8/26/2016
6. Surface Facility(s) included in operator change: N/A
7. Inspections of PA state/fee well sites complete on (only upon operators request): N/A

NEW OPERATOR BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: ~~N/A~~ UTB000334
2. Indian well(s) covered by Bond Number: N/A
3. State/fee well(s) covered by Bond Number(s): RLB0012097

DATA ENTRY:

1. Well(s) update in the **OGIS** on: 8/26/2016
2. Entity Number(s) updated in **OGIS** on: 8/26/2016
3. Unit(s) operator number update in **OGIS** on: N/A
4. Surface Facilities update in **OGIS** on: N/A
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: 8/26/2016
6. Surface Facilities update in **RBDMS** on: N/A

COMMENTS:

From: Blue Tip Castlegate, Inc.
To: Liberty Pioneer Energy Source, Inc.
Effective: 7/1/2016

Well Name	Sec	TWN	RNG	API Number	Entity	Mineral	Surface	Type	Status
CASTLEGATE ST 1-35-12-10 WD	35	110S	100E	4301332308	13472	State	State	WD	A
JENSEN 9-10-12-10	10	120S	100E	4300730159	12906	Fee	Fee	GW	P
JENSEN 5-10-12-10	10	120S	100E	4300730162	12905	Fee	Fee	GW	P
JENSEN 16-9-12-10	9	120S	100E	4300730163	12904	Fee	Fee	GW	P
JENSEN 11-10-12-10	10	120S	100E	4300730164	11405	Fee	Fee	GW	P
CASTLEGATE ST 1-16-12-10	16	120S	100E	4300730589	12610	State	State	GW	P
JENSEN 1-10-12-10	10	120S	100E	4300730596	12611	Fee	Fee	GW	P
JENSEN 1-9-12-10	9	120S	100E	4300730717	12903	Fee	Fee	GW	P
JENSEN 2-9-12-10	9	120S	100E	4300730735	13317	Fee	Fee	GW	P
JENSEN 1-15-12-10	15	120S	100E	4300730736	13072	Fee	Fee	GW	P
JENSEN 1-8-12-10	8	120S	100E	4300730768	13359	Fee	Fee	GW	P
JENSEN DEEP 7-15-12-10	15	120S	100E	4300730786	13247	Fee	Fee	GW	P
JENSEN 23C-9-12-10	9	120S	100E	4300731211	15770	Fee	Fee	GW	P
JENSEN 33C-9-12-10	9	120S	100E	4300731212	15769	Fee	Fee	GW	P
JENSEN 43C-9-12-10	9	120S	100E	4300731214	15768	Fee	Fee	GW	P
CASTLEGATE FED 22C-9-12-10	9	120S	100E	4300731225	15767	Federal	Federal	GW	P
JENSEN 41C-9-12-10	9	120S	100E	4300731452	17246	Fee	Fee	GW	P
JENSEN 14C-10-12-10	10	120S	100E	4300731453	17235	Fee	Fee	GW	P
JENSEN FED 6-10-12-10	10	120S	100E	4300750177	18209	Federal	Fee	GW	P
SHIMMIN TRUST 5-14-12-10	14	120S	100E	4300730122	14175	Fee	Fee	GW	S
CASTLEGATE FED 7-9-12-10	9	120S	100E	4300730137	12991	Federal	Federal	GW	S
SHIMMIN TRUST 11-11-12-10	11	120S	100E	4300730166	11410	Fee	Fee	GW	S
SHIMMIN TRUST 2-11-12-10	11	120S	100E	4300730659	13070	Fee	Fee	GW	S
SHIMMIN TRUST 4-14-12-10	14	120S	100E	4300730662	13071	Fee	Fee	GW	S
SHIMMIN TRUST 1-11-12-10	11	120S	100E	4300730673	12901	Fee	Fee	GW	S
JENSEN 1-18-12-10	18	120S	100E	4300730718	14226	Fee	Fee	GW	S
JENSEN 1-4-12-10	4	120S	100E	4300730733	13068	Fee	Fee	GW	S
JENSEN 2-8-12-10	8	120S	100E	4300730734	13275	Fee	Fee	GW	S
CASTLEGATE ST 4-16-12-10	16	120S	100E	4300730785	13318	State	State	GW	S
CASTLEGATE ST 11-16H-12-10	16	120S	100E	4300730961	14224	State	State	GW	S
JENSEN 42C-9-12-10	9	120S	100E	4300731213	15766	Fee	Fee	GW	S
JENSEN 2C-9	9	120S	100E	4300750179	18242	Fee	Fee	GW	S
JENSEN ST 11C-34-11-9	34	110S	090E	4304930024	17071	State	Fee	GW	S

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: SEE ATTACHED LIST
2. NAME OF OPERATOR: Liberty Pioneer Energy Source, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1411 E 840 N CITY Orem STATE UT ZIP 84097		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (801)224-4771		8. WELL NAME and NUMBER: SEE ATTACHED LIST
4. LOCATION OF WELL FOOTAGES AT SURFACE: SEE ATTACHED LIST		9. API NUMBER: SEE ATTACHED LIST
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT:
		COUNTY:
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CHANGE OF OPERATOR

PREVIOUS OPERATOR:
Blue Tip Castlegate, Inc. N3680
15810 Park Ten Place - Suite 160
Houston, TX 77084
Phone (281) 994-3800

Operator Number N3680

By: Bruce L. Taylor
Bruce L. Taylor, Vice President

NEW OPERATOR:
Liberty Pioneer Energy Source, Inc. N2855
1411 East 840 North
Orem, UT 84097
Phone (801) 224-4771

Operator Number N2855

RECEIVED

JUL 21 2016

DIV. OF OIL, GAS & MINING

Be advised that Liberty Pioneer Energy Source, Inc. is responsible under the terms and conditions of the related leases for the operations conducted upon the leased lands. Bond coverage is covered by Bond No. RLB0012097.

NAME (PLEASE PRINT) Kimball Hodges TITLE Vice President of Liberty Pioneer Energy Source, Inc.
SIGNATURE [Signature] DATE 7/18/16

(This space for State use only)

APPROVED

AUG 26 2016

DIV. OIL GAS & MINING
BY: Rachael Medema

ATTACHED LIST to Change of Operator Sundry Notice

BTC WELL NUMBER	WELL NAME AND NUMBER	LEGAL DESCRIPTION	OPERATOR	API	COUNTY	STATE
2080001	JENSEN 1-4-12-10	Salt Lake Meridian T12S R10E Sec 04: SWSE	BLUE TIP CASTLEGATE INC.	43-007-30733-0000	CARBON	UTAH
2080002	JENSEN 1-8-12-10	Salt Lake Meridian T12S R10E Sec 08: NESE	BLUE TIP CASTLEGATE INC.	43-007-30768-0000	CARBON	UTAH
2080003	JENSEN 2-8-12-10	Salt Lake Meridian T12S R10E Sec 08: NENE	BLUE TIP CASTLEGATE INC.	43-007-30734-0000	CARBON	UTAH
2080004	CASTLEGATE FED 22C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: SENW	BLUE TIP CASTLEGATE INC.	43-007-31225-0000	CARBON	UTAH
2080005	CASTLEGATE FED 7-9-12-10	Salt Lake Meridian T12S R10E Sec 09: SWNE	BLUE TIP CASTLEGATE INC.	43-007-30137-0000	CARBON	UTAH
2080006	JENSEN 1-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NWSW	BLUE TIP CASTLEGATE INC.	43-007-30717-0000	CARBON	UTAH
2080007	JENSEN 2-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NENW	BLUE TIP CASTLEGATE INC.	43-007-30735-0000	CARBON	UTAH
2080008	JENSEN 16-9-12-10	Salt Lake Meridian T12S R10E Sec 09: SESE	BLUE TIP CASTLEGATE INC.	43-007-30163-0000	CARBON	UTAH
2080009	JENSEN 23C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NESW	BLUE TIP CASTLEGATE INC.	43-007-31211-0000	CARBON	UTAH
2080010	JENSEN 33C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NWSE	BLUE TIP CASTLEGATE INC.	43-007-31212-0000	CARBON	UTAH
2080011	JENSEN 42C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: SENE	BLUE TIP CASTLEGATE INC.	43-007-31213-0000	CARBON	UTAH
2080012	JENSEN 43C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NESE	BLUE TIP CASTLEGATE INC.	43-007-31214-0000	CARBON	UTAH
2080013	JENSEN 1-10-12-10	Salt Lake Meridian T12S R10E Sec 10: NWSW	BLUE TIP CASTLEGATE INC.	43-007-30596-0000	CARBON	UTAH
2080014	JENSEN 5-10-12-10	Salt Lake Meridian T12S R10E Sec 10: SWNW	BLUE TIP CASTLEGATE INC.	43-007-30162-0000	CARBON	UTAH
2080015	JENSEN 11-10-12-10	Salt Lake Meridian T12S R10E Sec 10: NESW	BLUE TIP CASTLEGATE INC.	43-007-30164-0000	CARBON	UTAH

ATTACHED LIST to Change of Operator Sundry Notice

BTC WELL NUMBER	WELL NAME AND NUMBER	LEGAL DESCRIPTION	OPERATOR	API	COUNTY	STATE
2080016	JENSEN 14C-10-12-10	Salt Lake Meridian T12S R10E Sec 10: SWSW	BLUE TIP CASTLEGATE INC.	43-007-31453-0000	CARBON	UTAH
2080017	SHIMMIN TRUST 1-11-12-10	Salt Lake Meridian T12S R10E Sec 11: SWSW	BLUE TIP CASTLEGATE INC.	43-007-30673-0000	CARBON	UTAH
2080018	SHIMMIN TRUST 2-11-12-10	Salt Lake Meridian T12S R10E Sec 11: SESE	BLUE TIP CASTLEGATE INC.	43-007-30659-0000	CARBON	UTAH
2080019	SHIMMIN TRUST 4-14-12-10	Salt Lake Meridian T12S R10E Sec 14: SENW	BLUE TIP CASTLEGATE INC.	43-007-30662-0000	CARBON	UTAH
2080020	SHIMMIN TRUST 5-14-12-10	Salt Lake Meridian T12S R10E Sec 14: NWNE	BLUE TIP CASTLEGATE INC.	43-007-30122-0000	CARBON	UTAH
2080021	JENSEN 1-15-12-10	Salt Lake Meridian T12S R10E Sec 15: SWNE	BLUE TIP CASTLEGATE INC.	43-007-30736-0000	CARBON	UTAH
2080022	JENSEN DEEP 7-15-12-10	Salt Lake Meridian T12S R10E Sec 15: SWNE	BLUE TIP CASTLEGATE INC.	43-007-30786-0000	CARBON	UTAH
2080023	CASTLEGATE ST 1-16-12-10	Salt Lake Meridian T12S R10E Sec 16: NWNE	BLUE TIP CASTLEGATE INC.	43-007-30589-0000	CARBON	UTAH
2080024	CASTLEGATE ST 4-16-12-10	Salt Lake Meridian T12S R10E Sec 16: SENW	BLUE TIP CASTLEGATE INC.	43-007-30785-0000	CARBON	UTAH
2080025	JENSEN 1-18-12-10	Salt Lake Meridian T12S R10E Sec 18: NESE	BLUE TIP CASTLEGATE INC.	43-007-30718-0000	CARBON	UTAH
2080026	CASTLEGATE ST 1-35-12-10 WD	Salt Lake Meridian T11S R10E Sec 35: SWSW	BLUE TIP CASTLEGATE INC.	43-013-32308-0000	DUCHESNE	UTAH
2080027	CASTLEGATE ST 11-16H-12-10	Salt Lake Meridian T12S R10E Sec 16: NWNW	BLUE TIP CASTLEGATE INC.	43-007-30961-0000	CARBON	UTAH
2080028	JENSEN STATE 11C-34-11-9	Salt Lake Meridian T11S R9E Sec 34: NWNW	BLUE TIP CASTLEGATE INC.	43-049-30024-0000	UTAH	UTAH
2080030	JENSEN 41C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NENE	BLUE TIP CASTLEGATE INC.	43-007-31452-0000	CARBON	UTAH

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ATTACHED LIST to Change of Operator Sundry Notice

BTC WELL NUMBER	WELL NAME AND NUMBER	LEGAL DESCRIPTION	OPERATOR	API	COUNTY	STATE
2080032	JENSEN 9-10-12-10	Salt Lake Meridian T12S R10E Sec 10: NESE	BLUE TIP CASTLEGATE INC.	43-007-30159-0000	CARBON	UTAH
2080033	SHIMMIN TRUST 11-11-12-10	Salt Lake Meridian T12S R10E Sec 11: NESW	BLUE TIP CASTLEGATE INC.	43-007-30166-0000	CARBON	UTAH
2080042	JENSEN 2C-9-12-10	Salt Lake Meridian T12S R10E Sec 9: NW4NE4	BLUE TIP CASTLEGATE INC.	43-007-01790-0000 50179	CARBON	UTAH
2080043	JENSEN FED 6-10-12-10	Salt Lake Meridian T12S R10E Sec 6: SE4NW4	BLUE TIP CASTLEGATE INC.	43-007-50177-0000	CARBON	UTAH

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

UIC FORM 5

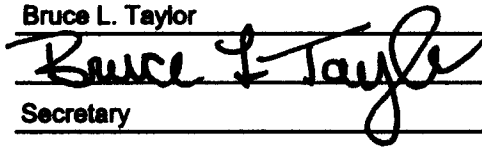
TRANSFER OF AUTHORITY TO INJECT

Well Name and Number Castlegate St 1-35-12-10	API Number 4301332308
Location of Well Footage : 540' FSL, 1135' FWL County : Duchesne QQ, Section, Township, Range: SWSW 35 11S 10E State : UTAH	Field or Unit Name Castlegate Lease Designation and Number ML-48822

EFFECTIVE DATE OF TRANSFER: 7/1/2016

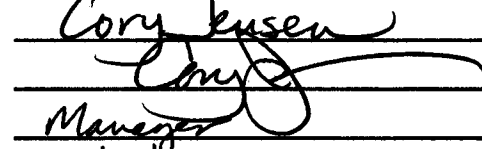
CURRENT OPERATOR

Company: Blue Tip Castlegate, Inc.
Address: P. O. Box 842317
city Houston state TX zip 77284
Phone: (281) 944-3800
Comments:

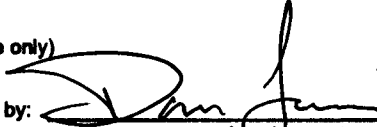
Name: Bruce L. Taylor
Signature: 
Title: Secretary
Date: 7/1/2016

NEW OPERATOR

Company: WEM Castlegate, LLC
Address: 1411 East 840 North
city Orem state UT zip 84097
Phone:
Comments:

Name: Cory Eusem
Signature: 
Title: Manager
Date: 7/11/16

(This space for State use only)

Transfer approved by: 
Title: UIC Geologist

Approval Date: 8/3/16

Comments:

RECEIVED

JUL 21 2016



Dustin K. Doucet
Petroleum Engineer
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
Salt Lake City, Utah 84116

RE: Bonding for Castlegate Field Wells

August 15, 2016

Dustin:

Blue Tip Energy Management, LLC was the previous operator and bondholder of the Castle Gate Field and associated wells listed below. Liberty Pioneer Energy Source, Inc. ("LPES") has submitted the necessary paperwork to take over as the new operator of these wells. Per our recent communications we would like to make the following proposal pertaining to the bonding of the wells listed below so that all of the wells in the field will be covered by LPES blanket bond #RLB0012097.

1) LPES plans to P&A the following wells prior to November 1, 2016:

13318 CASTLEGATE ST 4-16-12-10
14224 CASTLEGATE ST 11-16H-12-10

2) LPES is currently getting pricing to build a pipeline to the following well which is believed to be capable of production. If pricing is reasonable, LPES will propose production testing and flaring. We will notify you of our decision to either run a pipeline or plug and abandon this well before the end of 2016. If the decision is to produce, LPES will commence the pipeline permitting process before the end of 2016:

17071 JENSEN STATE 11C-34-11-9

3) Wells that are currently producing or will be returned to producing status by October 1, 2016:

13070 SHIMMIN TRUST 2-11-12-10
13275 JENSEN 2-8-12-10
13071 SHIMMIN TRUST 4-14-12-10
13068 JENSEN 1-4-12-10
18242 JENSEN 2C-9-12-10
12991 CASTLEGATE FED 7-9-12-10
11405 JENSEN 11-10-12-10
12610 CASTLEGATE ST 1-16-12-10
12611 JENSEN 1-10-12-10
12903 JENSEN 1-9-12-10
12904 JENSEN 16-9-12-10
12905 JENSEN 5-10-12-10
12906 JENSEN 9-10-12-10
13072 JENSEN 1-15-12-10
13247 JENSEN DEEP 7-15-12-10
13317 JENSEN 2-9-12-10
13359 JENSEN 1-8-12-10
15766 JENSEN 42C-9-12-10
15767 CASTLEGATE FED 22C-9-12-10
15768 JENSEN 43C-9-12-10
15769 JENSEN 33C-9-12-10
15770 JENSEN 23C-9-12-10
17235 JENSEN 14C-10-12-10
17246 JENSEN 41C-9-12-10
14226 JENSEN 1-18-12-10
11410 SHIMMIN TRUST 11-11-12-10
12901 SHIMMIN TRUST 1-11-12-10
14175 SHIMMIN TRUST 5-14-12-10
18209 JENSEN 6-10-12-10

Thanks for your help. Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Gunnell', with a stylized flourish at the end.

Daniel R. Gunnell

President

Liberty Pioneer Energy Source, Inc.

1411 East 840 North

Orem, UT 84097



Rachel Medina <rachelmedina@utah.gov>

Fwd: LPES plans for the Castlegate field wells/Bonding

2 messages

Dayne Doucet <daynedoucet@utah.gov>

Wed, Aug 17, 2016 at 11:46 AM

To: Rachel Medina <rachelmedina@utah.gov>, Randy Thackeray <randythackeray@utah.gov>

FYI

----- Forwarded message -----

From: **Daniel Gunnell** <dgunnell@rockiesstandard.com>

Date: Wed, Aug 17, 2016 at 9:40 AM

Subject: Re: LPES plans for the Castlegate field wells/Bonding

To: Dustin Doucet <dustindoucet@utah.gov>

Cc: Brad Gunnell <bgunnell@rockiesstandard.com>, Cory Jensen <cjensen@rockiesstandard.com>, Kimball Hodges <khodges@rockiesstandard.com>, Dayne Doucet <daynedoucet@utah.gov>, Joshua Payne <joshuapayne@utah.gov>

Dustin:

Thanks for your help with this! Please find Bond Proposal Letter attached.

If there is anything else you need please let me know. The Blue Tip guys are anxious to get their bond released.

Let me know if I need to send a hard copy of the letter.

Best,

Danny

On Mon, Aug 8, 2016 at 9:24 AM, Dustin Doucet <dustindoucet@utah.gov> wrote:

Danny,

Yes if you would just edit your previous plan and resubmit so there is no confusion. I think that would make it cleaner. If you decide to put a well online and have it online by the plugging deadline, then that should be fine.

Dustin

On Tue, Aug 2, 2016 at 4:31 PM, Daniel Gunnell <dgunnell@rockiesstandard.com> wrote:

Dustin:

Sorry for not getting back to you on this until now. There maybe a couple of wells that we may come back to you specifically on, but I think that we have now got a pretty good go forward plan that will meet and exceed your end of the year time frame for getting the wells in categories 2 and 3 in production.

There is one material change to my previous email that we want to make you aware of - instead of plugging the 11C-34 we are seriously considering running a pipeline to it and bringing online... not a final decision yet, but we are have got and are getting additional bids, and designing a test plan to better understand what production would look like.

Do I need to submit a formal letter with dates of Nov 1 for plugging and end of year to get wells on production under our existing bonds or are these emails sufficient?

Thanks for your help!

Best,

Danny

What time do you think you need? I would think by the end of the year max. If you can line out more justification, I'm open to listening to the reasoning.

Dustin

On Thu, Jun 30, 2016 at 12:21 PM, Daniel Gunnell <dgunnell@rockiesstandard.com> wrote:
Dustin:

Sounds good. Thanks for your help.

Can we push back just a little to get as much time as possible for shut in wells that we need to come up with a plan for or plug (#2 in my original email?) - how much beyond Oct 2016 could you give us? We are going to be really busy so as much extra time as you can give really helps... we are reclaiming those evaporation ponds immediately, taking over operations, retrofitting the plant, plugging the identified wells, and ramping up production by reworking multiple shut-in wells that are we have already reviewed.

Let me know and thanks again.

Best,

Danny

On Thu, Jun 30, 2016 at 10:30 AM, Dustin Doucet <dustindoucet@utah.gov> wrote:
Danny,

I would be o.k. with the timing and plan on part 1. The timing on part 2 does not work. Those have been SI/TA anywhere from 2.5 to 5 years. Did you mean October 2016? Our discussions were if you had a plan to produce or plug within a short period (meaning a few months), then we could forego increased bonding but increased bonding would be necessary if that wasn't accomplished. Part 3 would be similar to part 2 on the wells that have been SI/TA. The producing ones would probably be fine as you have 1 year allowed by rule (see below).

Production data through Jan 2016

13070	SHIMMIN TRUST 2-11-12-10 <u>SI since Sep 2014</u>
13275	JENSEN 2-8-12-10 <u>SI since Nov 2015</u>
13071	SHIMMIN TRUST 4-14-12-10 <u>SI since Dec 2015</u>
13068	JENSEN 1-4-12-10 <u>Produced 1 day in Jan 2016</u>
18242	JENSEN 2C-9-12-10 <u>Producing</u>
12991	CASTLEGATE FED 7-9-12-10 <u>Producing</u>
11405	JENSEN 11-10-12-10 <u>Producing</u>
12610	CASTLEGATE ST 1-16-12-10 <u>Producing</u>
12611	JENSEN 1-10-12-10 <u>Producing</u>
12903	JENSEN 1-9-12-10 <u>Producing</u>
12904	JENSEN 16-9-12-10 <u>Producing</u>
12905	JENSEN 5-10-12-10 <u>Producing</u>
12906	JENSEN 9-10-12-10 <u>Producing</u>
13072	JENSEN 1-15-12-10 <u>Produced 1 day in Jan 2016</u>
13247	JENSEN DEEP 7-15-12-10 <u>Produced 1 day in Jan 2016</u>

13359 JENSEN 1-8-12-10 Producing
15766 JENSEN 42C-9-12-10 Producing
15767 CASTLEGATE FED 22C-9-12-10 Producing
15768 JENSEN 43C-9-12-10 Producing
15769 JENSEN 33C-9-12-10 Producing
15770 JENSEN 23C-9-12-10 SI since Nov 2015
17235 JENSEN 14C-10-12-10 Producing
17246 JENSEN 41C-9-12-10 Producing
18209 JENSEN 6-10-12-10 Producing

On Fri, Jun 24, 2016 at 11:28 AM, Daniel Gunnell <dgunnell@rockiesstandard.com> wrote:

Dustin:

Per our recent conversation, I wanted to informally run our plans/bonding proposal for the Castle Gate Field by you for your comment prior to submitting a final proposal. Here is what we are considering:

Blue Tip Energy Management, LLC ("Blue Tip"), is the current operator and bondholder, of the Castle Gate Field and associated wells listed below ("Wells"). LPES should take over as the new operator effective July 1 2016. In anticipation of the transfer of operations and per our recent phone conversation we would like to make the following proposal pertaining to the LPES bonding of the wells listed below so that all of the wells in the field will be covered by LPES blanket bond #RLB0012097.

1) LPES will P&A the following wells prior to November 1, 2016:

17071 JENSEN STATE 11C-34-11-9
14224 CASTLEGATE ST 11-16H-12-10

2) LPES will evaluate and propose a go forward plan after evaluation on the following shut-in wells prior to October 1 2017:

13318 CASTLEGATE ST 4-16-12-10
14226 JENSEN 1-18-12-10
11410 SHIMMIN TRUST 11-11-12-10
12901 SHIMMIN TRUST 1-11-12-10
14175 SHIMMIN TRUST 5-14-12-10

13070 SHIMMIN TRUST 2-11-12-10

13275 JENSEN 2-8-12-10

13071 SHIMMIN TRUST 4-14-12-10

13068 JENSEN 1-4-12-10

18242 JENSEN 2C-9-12-10

12991 CASTLEGATE FED 7-9-12-10

11405 JENSEN 11-10-12-10

12610 CASTLEGATE ST 1-16-12-10

12611 JENSEN 1-10-12-10

12903 JENSEN 1-9-12-10

12904 JENSEN 16-9-12-10

12905 JENSEN 5-10-12-10

12906 JENSEN 9-10-12-10

13072 JENSEN 1-15-12-10

13247 JENSEN DEEP 7-15-12-10

13317 JENSEN 2-9-12-10

13359 JENSEN 1-8-12-10

15766 JENSEN 42C-9-12-10

15767 CASTLEGATE FED 22C-9-12-10

15768 JENSEN 43C-9-12-10

15769 JENSEN 33C-9-12-10

15770 JENSEN 23C-9-12-10

17235 JENSEN 14C-10-12-10

17246 JENSEN 41C-9-12-10

18209 JENSEN 6-10-12-10

If this proposal is acceptable please let me know and I will submit a formal letter for approval. Thanks for your help.

Best,

Danny

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Daniel R. Gunnell
1411 East 840 North
Orem, UT 84097
(801) 224-4771

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Dustin K. Doucet
Petroleum Engineer
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
Salt Lake City, Utah 84116
801.538.5281 (ofc)
801.359.3940 (fax)

web: www.ogm.utah.gov

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Daniel R. Gunnell
1411 East 840 North
Orem, UT 84097
(801) 224-4771

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Dustin K. Doucet
Petroleum Engineer
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
Salt Lake City, Utah 84116
801.538.5281 (ofc)
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Dustin K. Doucet
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Daniel R. Gunnell
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Dayne Doucet
Petroleum Engineer
UDOGM
801-538-5303

 **Statewide Bond Proposal.pdf**
421K

Dustin Doucet <dustindoucet@utah.gov>

Wed, Aug 17, 2016 at 2:01 PM

To: Daniel Gunnell <dgunnell@rockiesstandard.com>, Rachel Medina <rachelmedina@utah.gov>

Cc: Brad Gunnell <bgunnell@rockiesstandard.com>, Cory Jensen <cjensen@rockiesstandard.com>, Kimball Hodges <khodges@rockiesstandard.com>, Dayne Doucet <daynedoucet@utah.gov>, Joshua Payne <joshuapayne@utah.gov>

Danny,

I think that looks fine. If the deadlines aren't met we will be looking for full cost bonding in addition to getting the wells back into compliance. I have copied Rachel Medina on this email so she can proceed with the operator change with this plan and conditions. thanks.